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LEGISLATIVE HISTORY

Public Law 118--77th Congress

Chapter 214--1st Session

S. 158

TABLE OF CONTENTS

Digest of Public Law 118	1
Index and Summary of history on S. 158	2

DIGEST OF PUBLIC LAW 118

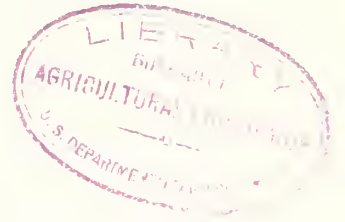
FEDERAL CROP INSURANCE ACT AMENDMENTS. Extends the Federal Crop Insurance Act to cotton; increases from \$6,000,000 to \$12,000,000 the annual appropriation authorization for administrative expenses of the Federal Crop Insurance Corporation; permits acceptance, for payment of premiums, of notes payable in the commodity insured, or the cash equivalent, upon adequate security; requires data to be assembled to establish an actuarial basis for future insurance of field corn; and provides for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed.

INDEX AND SUMMARY OF HISTORY OF S. 158

January 3, 1941	H. R. 121 introduced and referred to the Committee on Agriculture. (Companion bill).
January 6, 1941	S. 158 introduced and referred to the Senate Committee on Agriculture. Print of the bill as introduced.
April 25, 1941	S. 1390 introduced and referred to the Senate Committee on Agriculture. (Similar bill).
April 29, 1941	Senate Committee on Agriculture reported S. 1390 without amendment. Senate Rept. 221. Senate Committee on Agriculture reported S. 158 with an amendment. S. Rept. 219. Prints of the bills as reported.
April 30, 1941	H. R. 4595 introduced and referred to House Committee on Agriculture. (Companion bill).
May 1, 1941	S. 158 discussed in the Senate and passed over. S. 1390 passed the Senate without amendment.
May 5, 1941	S. 1390 referred to the House Committee on Agriculture. Print of the bill as referred.
May 7, 1941	H. R. 4595 was reported by the House Committee with an amendment. H. Rept. 508. Print of the bill as reported.
May 15, 1941	S. 158 debated and passed the Senate.
May 19, 1941	S. 158 referred to the House Committee on Agriculture. Print of the bill as referred.
May 27, 1941	S. 158 reported with amendment by House Committee. House Rept. 630.
June 11, 1941	H. R. 4595 debated and passed House. Action vacated on H. R. 4595 in lieu of S. 158. S. 158 passed the House as reported. (No print of S. 158 as passed the House.
June 12, 1941	Senate concurred in the House amendment on S. 158.
June 21, 1941	Approved. Public Law 118.

77TH CONGRESS
1ST SESSION

H. R. 121



IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1941

Mr. SPARKMAN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Federal Crop Insurance Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 502 of the Federal Crop Insurance Act, as
4 amended, is hereby amended by substituting the word "crop"
5 for the word "wheat-crop" and by substituting the words
6 "agricultural commodities" for the word "wheat".

7 SEC. 2. That section 506 (h) of said Act, as amended,
8 is amended by striking out the words "for wheat and other
9 agricultural commodities".

10 SEC. 3. That section 508 of said Act, as amended, is
11 amended by striking out the first comma in subsection (a)

1 thereof and inserting in lieu thereof the following: “and with
2 the cotton crop planted for harvest in 1942”.

3 SEC. 4. That section 508 of said Act, as amended, is
4 further amended by striking out the words “producers of
5 wheat against loss in yields of wheat” in the first sentence,
6 and substituting in lieu thereof the words “producers of the
7 agricultural commodity against loss in yields of the agricul-
8 tural commodity”.

9 SEC. 5. That section 508 of said Act, as amended, is
10 further amended by substituting the words “the agricultural
11 commodity” for the word “wheat” in the third sentence of
12 subsection (a).

13 SEC. 6. That sections 508 (b), (c), and (d) and 516
14 (a) of said Act, as amended, are further amended by sub-
15 stituting the words “the agricultural commodity” for the
16 word “wheat” wherever it appears.

17 SEC. 7. That section 508 of said Act, as amended, is
18 further amended by adding at the end thereof the following
19 new subsection:

20 “(e) In connection with insurance upon yields of
21 cotton, to include provision for additional premium and
22 indemnity in terms of lint cotton to cover loss of cottonseed,
23 such additional premium and indemnity to be determined on
24 the basis of the average relationship between returns from
25 cottonseed and returns from lint cotton for the same period

1 of years as that used for computing yields and premium
2 rates.”

3 SEC. 8. That section 516 (a) of said Act, as amended,
4 is amended by striking out the figures “\$6,000,000” and
5 substituting in lieu thereof the figures “\$12,000,000”.

6 SEC. 9. That said Act, as amended, is further amended
7 by redesignating section 518 as section 519, and by addi-
8 tion thereto of the following new section:

9 “SEC. 518. ‘Agricultural commodity’, as used in this
10 Act, means wheat or cotton, or both, as the context may
11 indicate.”

77TH CONGRESS
1ST SESSION

H. R. 121

A BILL

To amend the Federal Crop Insurance Act.

By Mr. SPARKMAN

JANUARY 3, 1941

Referred to the Committee on Agriculture

77TH CONGRESS
1ST SESSION

S. 158

IN THE SENATE OF THE UNITED STATES

JANUARY 6, 1941

MR. BANKHEAD introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Federal Crop Insurance Act. — C. 1200

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 502 of the Federal Crop Insurance Act, as
4 amended, is hereby amended by substituting the word "crop"
5 for the word "wheat-crop" and by substituting the words
6 "agricultural commodities" for the word "wheat".

7 SEC. 2. That section 506 (h) of said Act, as amended,
8 is amended by striking out the words "for wheat and other
9 agricultural commodities".

10 SEC. 3. That section 508 of said Act, as amended, is
11 amended by striking out the first comma in subsection (a)

1 thereof and inserting in lieu thereof the following: "and
2 with the cotton crop planted for harvest in 1942".

3 SEC. 4. That section 508 of said Act, as amended, is
4 further amended by striking out the words "producers of
5 wheat against loss in yields of wheat" in the first sentence,
6 and substituting in lieu thereof the words "producers of the
7 agricultural commodity against loss in yields of the agricul-
8 tural commodity".

9 SEC. 5. That section 508 of said Act, as amended, is
10 further amended by substituting the words "the agricultural
11 commodity" for the word "wheat" in the third sentence of
12 subsection (a).

13 SEC. 6. That sections 508 (b), (c), and (d) and 516
14 (a) of said Act, as amended, are further amended by sub-
15 stituting the words "the agricultural commodity" for the
16 word "wheat" wherever it appears.

17 SEC. 7. That section 508 of said Act, as amended, is
18 further amended by adding at the end thereof the following
19 new subsection:

20 "(e) In connection with insurance upon yields of cot-
21 ton, to include provision for additional premium and indem-
22 nity in terms of lint cotton to cover loss of cottonseed, such
23 additional premium and indemnity to be determined on the
24 basis of the average relationship between returns from cotton-

1 seed and returns from lint cotton for the same period of
2 years as that used for computing yields and premium rates.”

3 SEC. 8. That section 516 (a) of said Act, as amended,
4 is amended by striking out the figures “\$6,000,000” and
5 substituting in lieu thereof the figures “\$12,000,000”.

6 SEC. 9. That said Act, as amended, is further amended
7 by redesignating section 518 as section 519, and by addi-
8 tion thereto of the following new section:

9 “SEC. 518. ‘Agricultural commodity’, as used in this
10 Act, means wheat or cotton, or both, as the context may
11 indicate.”

A BILL

To amend the Federal Crop Insurance Act.

By Mr. BANKHEAD

JANUARY 6, 1941

Read twice and referred to the Committee on
Agriculture and Forestry





IN THE SENATE OF THE UNITED STATES

APRIL 25, 1941

Mr. BANKHEAD introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend section 508 (d) of the Federal Crop Insurance Act,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 508 (d) of the Federal Crop Insurance Act,
4 as amended, is amended by inserting the following sentences
5 immediately after the first sentence thereof: "Nothing in
6 this section shall prevent the Corporation from accepting,
7 for the payment of premiums, notes payable in the com-
8 modity insured, or the cash equivalent, upon such security
9 as may be determined pursuant to subsection (b) of this
10 section, and from purchasing the quantity of the commodity
11 represented by any of such notes not paid at maturity."

A BILL

To amend section 508 (d) of the Federal Crop
Insurance Act, as amended.

By Mr. BANKHEAD

APRIL 25, 1941

Read twice and referred to the Committee on
Agriculture and Forestry



Calendar No. 234

77TH CONGRESS }
1st Session }

SENATE

{ REPORT
{ No. 221

AMENDING SECTION 508 (d) OF THE FEDERAL CROP INSURANCE ACT

APRIL 29, 1941.—Ordered to be printed

Mr. BANKHEAD, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 1390]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1390) to amend section 508 (d) of the Federal Crop Insurance Act, as amended, having considered the same, report it to the Senate with the recommendation that the bill be passed.

This bill was recommended by the Department of Agriculture and its passage is desired because it will result in saving a substantial amount of money in the administration of the program.

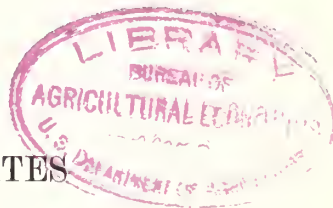
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Calendar No. 234

77TH CONGRESS
1ST SESSION

S. 1390

[Report No. 221]



IN THE SENATE OF THE UNITED STATES

APRIL 25, 1941

Mr. BANKHEAD introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

APRIL 29, 1941

Reported by Mr. BANKHEAD, without amendment

A BILL

To amend section 508 (d) of the Federal Crop Insurance Act,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 508 (d) of the Federal Crop Insurance Act,
4 as amended, is amended by inserting the following sentences
5 immediately after the first sentence thereof: "Nothing in
6 this section shall prevent the Corporation from accepting,
7 for the payment of premiums, notes payable in the com-
8 modity insured, or the cash equivalent, upon such security
9 as may be determined pursuant to subsection (b) of this
10 section, and from purchasing the quantity of the commodity
11 represented by any of such notes not paid at maturity."

77TH CONGRESS
1ST SESSION

S. 1390

[Report No. 221]

A BILL

To amend section 508 (d) of the Federal Crop
Insurance Act, as amended.

By Mr. BANKHEAD

APRIL 25, 1941

Read twice and referred to the Committee on
Agriculture and Forestry

APRIL 29, 1941

Reported without amendment

AMENDING THE FEDERAL CROP INSURANCE ACT

APRIL 29, 1941.—Ordered to be printed

Mr. BANKHEAD, from the Committee on Agriculture and Forestry,
submitted the following

REPORT

[To accompany S. 158]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 158) to amend the Federal Crop Insurance Act, having considered the same, report it to the Senate with the recommendation that the bill be passed. This is substantially the same bill that was passed by the Senate 2 years ago and subsequently passed by the House and thereafter vetoed by the President. The bill now has the approval of the administration. Copy of letter received from the Secretary of Agriculture is herewith attached as a part of this report.

The bill has been amended in line with the suggestion made by the Bureau of the Budget and submitted to the committee in the letter of the Secretary.

WAR DEPARTMENT,
April 25, 1941.

Hon. ELLISON D. SMITH,
Chairman, Committee on Agriculture, United States Senate.

DEAR SENATOR SMITH: This is in reply to your letter of January 9, 1941, in which you requested a report on S. 158, a bill to amend the Federal Crop Insurance Act, as amended. The purpose of this bill is to authorize the extension of Federal crop insurance to the cotton crop. This insurance is now limited to the wheat crop.

The plan of insurance for cotton as embodied in this bill is in line with the general proposal made originally by the President's Committee on Crop Insurance with reference to wheat and embodied in House Document No. 150 of the Seventy-fifth Congress. As contemplated in section 506 (h) of the Federal Crop Insurance Act, the Department has continued its research into the possibilities of extending crop insurance to certain crops, including cotton. These studies have also included analyses of the Department's experience in the administration of the wheat insurance program. The data necessary to include cotton in the crop insurance program have now been assembled, and it is believed, therefore, that the Department

is now in a position to include cotton in the crop insurance program if such inclusion should be authorized by law, as contemplated by S. 158. At the present time, the Department does not feel that it is in possession of sufficient data to justify recommending the extension of crop insurance to any crops other than wheat and cotton.

In line with the proposal to extend the Federal Crop Insurance Act to cotton, S. 158 contemplates increasing the authorization for operating and administrative costs of the Corporation by an additional \$6,000,000, making a maximum limitation of \$12,000,000 which may be appropriated for these purposes annually, to cover both cotton and wheat. It is believed that, for the first fiscal year, a cotton crop insurance program could be administered for approximately three-fourths of the additional amount indicated. However, the cost in the first and in the succeeding fiscal years will be dependent upon the participation of farmers in the program, so that some leeway in the over-all limitation is desirable. In the circumstances it is suggested that the proposed \$12,000,000 figure be allowed to stand, since the actual amounts to be appropriated would be arrived at by the annual budgetary consideration of the needs of the program.

Crop insurance, while not offering a solution to all of the problems of more than 2,000,000 cotton farmers, should provide an effective means by which the financial difficulties brought about by unavoidable production hazards may be overcome. In view of the many hazards that affect the production of cotton and the large number of farmers who must face these hazards, it is believed that a program of cotton crop insurance will meet a real need.

It is very necessary, and the Department so recommends, that any legislation which may be enacted at this time on crop insurance include the amendment relating to payment of premiums by commodity notes, or the cash equivalent, etc., submitted to the President of the Senate and the Speaker of the House in my letters of April 15, 1941.

Under date of April 24 the Bureau of the Budget advises that the enactment of S. 158, in its present form, would not be in accord with the program of the President, but that it would not be in conflict therewith if amended to include the provision to permit payment of premiums in notes payable in the commodity insured, or the cash equivalent, etc., as submitted in the Department's letter of April 15, above referred to.

Sincerely,

CLAUDE R. WICKARD, *Secretary*.

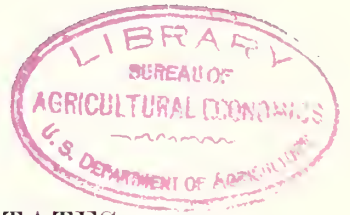


Calendar No. 233

77TH CONGRESS
1ST SESSION

S. 158

[Report No. 219]



IN THE SENATE OF THE UNITED STATES

JANUARY 6, 1941

Mr. BANKHEAD introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

APRIL 29, 1941

Reported by Mr. BANKHEAD, with an amendment

[Insert the part printed in *italic*]

A BILL

To amend the Federal Crop Insurance Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 502 of the Federal Crop Insurance Act, as
4 amended, is hereby amended by substituting the word "crop"
5 for the word "wheat-crop" and by substituting the words
6 "agricultural commodities" for the word "wheat".

7 SEC. 2. That section 506 (h) of said Act, as amended,
8 is amended by striking out the words "for wheat and other
9 agricultural commodities".

10 SEC. 3. That section 508 of said Act, as amended, is
11 amended by striking out the first comma in subsection (a)

1 thereof and inserting in lieu thereof the following: "and
2 with the cotton crop planted for harvest in 1942".

3 SEC. 4. That section 508 of said Act, as amended, is
4 further amended by striking out the words "producers of
5 wheat against loss in yields of wheat" in the first sentence,
6 and substituting in lieu thereof the words "producers of the
7 agricultural commodity against loss in yields of the agricul-
8 tural commodity".

9 SEC. 5. That section 508 of said Act, as amended, is
10 further amended by substituting the words "the agricultural
11 commodity" for the word "wheat" in the third sentence of
12 subsection (a).

13 SEC. 6. That sections 508 (b), (c), and (d) and 516
14 (a) of said Act, as amended, are further amended by sub-
15 stituting the words "the agricultural commodity" for the
16 word "wheat" wherever it appears.

17 SEC. 7. That section 508 of said Act, as amended, is
18 further amended by adding at the end thereof the following
19 new subsection:

20 "(c) In connection with insurance upon yields of cot-
21 ton, to include provision for additional premium and indem-
22 nity in terms of lint cotton to cover loss of cottonseed, such
23 additional premium and indemnity to be determined on the
24 basis of the average relationship between returns from cotton-

1 seed and returns from lint cotton for the same period of
2 years as that used for computing yields and premium rates.”

3 SEC. 8. That section 516 (a) of said Act, as amended,
4 is amended by striking out the figures “\$6,000,000” and
5 substituting in lieu thereof the figures “\$12,000,000”.

6 SEC. 9. That said Act, as amended, is further amended
7 by redesignating section 518 as section 519, and by addi-
8 tion thereto of the following new section:

9 “SEC. 518. ‘Agricultural commodity’, as used in this
10 Act, means wheat or cotton, or both, as the context may
11 indicate.”

12 SEC. 10. That section 508 (d) of the Federal Crop
13 Insurance Act, as amended, is amended by inserting the
14 following sentences immediately after the first sentence
15 thereof: “Nothing in this section shall prevent the Corpora-
16 tion from accepting, for the payment of premiums, notes
17 payable in the commodity insured, or the cash equivalent,
18 upon such security as may be determined pursuant to sub-
19 section (b) of this section, and from purchasing the quantity
20 of the commodity represented by any of such notes not paid
21 at maturity.”

77TH CONGRESS
1ST SESSION

S. 158

[Report No. 219]

A BILL

To amend the Federal Crop Insurance Act.

By Mr. BANKHEAD

JANUARY 6, 1941

Read twice and referred to the Committee on
Agriculture and Forestry

APRIL 29, 1941

Reported with an amendment



77TH CONGRESS
1ST SESSION

H. R. 4595



IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 1941

Mr. FULMER introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Federal Crop Insurance Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 502 of the Federal Crop Insurance Act, as
4 amended, is hereby amended by substituting the word "crop"
5 for the word "wheat-crop" and by substituting the words
6 "agricultural commodities" for the word "wheat".

7 SEC. 2. That section 506 (h) of said Act, as amended,
8 is amended by striking out the words "for wheat and other
9 agricultural commodities".

10 SEC. 3. That section 508 of said Act, as amended, is
11 amended by striking out the first comma in subsection (a)

1 thereof and inserting in lieu thereof the following: “and
2 with the cotton crop planted for harvest in 1942, and the
3 field corn crop whenever the Secretary of Agriculture deter-
4 mines that a satisfactory actuarial basis has been established
5 for such commodity”.

6 SEC. 4. That section 508 of said Act, as amended, is
7 further amended by striking out the words “producers of
8 wheat against loss in yields of wheat” in the first sentence
9 and substituting in lieu thereof the words “producers of the
10 agricultural commodity against loss in yields of the agricul-
11 tural commodity”.

12 SEC. 5. That section 508 of said Act, as amended, is
13 further amended by substituting the words “the agricultural
14 commodity” for the word “wheat” in the third sentence of
15 subsection (a).

16 SEC. 6. That sections 508 (b), (c), and (d) and 516
17 (a) of said Act, as amended, are further amended by sub-
18 stituting the words “the agricultural commodity” for the
19 word “wheat” wherever it appears.

20 SEC. 7. That section 508 (d) of said Act, as amended,
21 is further amended by inserting the following sentence im-
22 mediately after the first sentence thereof: “Nothing in this
23 section shall prevent the Corporation from accepting, for the
24 payment of premiums, notes payable in the commodity in-
25 sured, or the cash equivalent, upon such security as may

1 be determined pursuant to subsection (b) of this section,
2 and from purchasing the quantity of the commodity repre-
3 sented by any of such notes not paid at maturity.”

4 SEC. 8. That section 508 of said Act, as amended, is
5 further amended by adding at the end thereof the following
6 new subsection:

7 “(e) In connection with insurance upon yields of cot-
8 ton, to include provision for additional premium and in-
9 demnity in terms of lint cotton to cover loss of cottonseed,
10 such additional premium and indemnity to be determined
11 on the basis of the average relationship between returns
12 from cottonseed and returns from lint cotton for the same
13 period of years as that used for computing yields and
14 premium rates.”

15 SEC. 9. That section 516 (a) of said Act, as amended,
16 is amended by striking out the figures “\$6,000,000” and
17 substituting in lieu thereof the figures “\$15,000,000”.

18 SEC. 10. That said Act, as amended, is further amended
19 by redesignating section 518 as section 519, and by addition
20 thereto of the following new section:

21 “SEC. 518. ‘Agricultural commodity,’ as used in this
22 Act, means wheat, cotton, or field corn, or all such com-
23 modities, as the context may indicate,”

A BILL

To amend the Federal Crop Insurance Act.

By Mr. FULMER

APRIL 30, 1941

Referred to the Committee on Agriculture

sary to make use of some spur tracks across minor streets where they have not been in use before. Therefore it is proposed to add this clause:

Provided, however, That nothing herein contained shall require the location, construction, or maintenance of any such street or highway under or above any spur, industrial, switching, or side track, or branch line of any railroad unless the Commissioners of the District of Columbia shall find the same is necessary in the public safety.

For example, one of the spur tracks immediately under consideration is used perhaps once a day. To separate the grades would cost something like one or two hundred thousand dollars. There are several other grade crossings on the present spur tracks. This amendment eliminates the necessity for separating the grades unless the District Commissioners find it to be necessary in the interest of public safety.

The VICE PRESIDENT. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

MINERAL RESOURCES OF PUBLIC LANDS

The resolution (S. Res. 53) submitted by Mr. O'MAHONEY on January 23, 1941, was considered and agreed to, as follows:

Resolved, That the Committee on Public Lands and Surveys, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and an investigation with respect to the development of the mineral resources (including oil and gas) of the public lands of the United States, and of the existing laws which relate to such development, with a view toward (1) providing for more effective development and utilization of such resources for the purposes of national defense, (2) fostering free competitive enterprise and the investment of private capital in the development of the mineral industry and the production of essential and useful minerals, and (3) conserving such mineral resources to the fullest extent which is consistent with their proper development and utilization. The committee shall report to the Senate, at the earliest practicable date, the results of its investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-seventh and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

WILLIAM T. J. RYAN

The Senate proceeded to consider the bill (S. 175) for the relief of William T. J. Ryan, which had been reported from the Committee on Military Affairs with an

amendment, on page 2, line 8, after the word "wife", to insert "if living, or to William T. J. Ryan", so as to make the bill read:

Be it enacted, etc., That in the administration of the provisions of the act of August 29, 1916 (39 Stat. L. 649), relating to the support of families of enlisted men in the Military Establishment who served during the expedition into Mexico, the claim of William T. J. Ryan, then sergeant, Headquarters Battery, Seventy-sixth Regiment United States Field Artillery, Fort D. A. Russell, Wyo., for Federal support of his wife, Beulah E. Ryan, be held and considered to have been received in the office of the depot quartermaster, Washington, D. C., on or before June 30, 1917, in view of the fact that delay in receipt occurred through no fault of the soldier but through loss or miscarriage of his application in the mails, and that the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Beulah E. Ryan, his wife, if living, or to William T. J. Ryan, the sum of \$184, in full satisfaction of said claim: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SOUTH DAKOTA WHEAT GROWERS ASSOCIATION, INC.

The Senate proceeded to consider the joint resolution (S. J. Res. 29) for the relief of South Dakota Wheat Growers Association, Inc., which had been reported from the Committee on Claims with an amendment, on page 2, line 7, after the words "sum of", to strike out "\$85,390.71" and insert "\$40,473.71", so as to make the joint resolution read:

Resolved, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to South Dakota Wheat Growers Association, Inc., of Aberdeen, S. Dak., the sum of \$40,473.71, in full satisfaction of all its claims against the United States for losses sustained by it, during the stabilizing operations of the Federal Farm Board in 1929 and 1930, through withholding grain from the market, paying the storage and carrying charges thereon, and making advances to its members in order to stabilize prices: *Provided,* That no part of the amount appropriated in this joint resolution in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this joint resolution shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was rejected.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The bill (S. 588) to give to the Secretary of Agriculture permanent authority to make payments to agricultural producers in order to effectuate the purposes specified in section 7 (a) of the Soil Conservation and Domestic Allotment Act was announced as next in order.

Mr. McNARY. Mr. President, a casual glance at this bill indicates that it is a plan to remove any State authority from the provisions of section 7 (a) of the Soil Conservation and Domestic Allotment Act.

I do not know that I should oppose it on that ground, but I have a telegram which has just reached my desk from W. A. Schoenfeld, director of the experiment station and school of agriculture at the Oregon State College, asking for an opportunity further to consider the proposed legislation. It is important. I understand a great many States have not cooperated with the Government.

Mr. BANKHEAD. I have no objection to the bill going over. But I am sure the Senator understands that action must be taken at this session, otherwise the whole soil-conservation program will be terminated.

Mr. McNARY. I would not go that far; but we will not discuss that now. I shall be satisfied if the bill goes over.

The VICE PRESIDENT. The bill will be passed over.

EXTENSION OF CROP INSURANCE TO COTTON

The bill (S. 158) to amend the Federal Crop Insurance Act was announced as next in order.

Mr. ADAMS. Mr. President, it seems to me this bill is of such importance that it should have more consideration than can be given to it on a call of the calendar for the consideration of bills to which there is no objection. As I gather, it extends the crop-insurance program to all agricultural commodities.

Mr. BANKHEAD. I should like to make a statement about it. Of course, if there is objection, I cannot do anything but consent that the bill go over. But the Senator is in error.

We passed a bill identical with this one, word for word, 2 years ago, and the House passed the same bill and it went to the White House, but was vetoed. This applies only to cotton, and that was explained when the bill was before us previously. When the wheat-insurance program was included in the Agricultural Adjustment Act of 1938, we had an agreement that we would make a trial with one commodity to see how the law operated, and it was agreed that if it proved satisfactory as to wheat, cotton would come next in order. We went along in the hope that we could finally take in a great many other agricultural commodities.

After wheat had been tried for 2 years, Congress passed the bill including cotton. The President sent the bill back with a veto message, because he was not satisfied, from the experience, that the action

was justified. At this time, however, the committee has a letter releasing this cotton program. It is approved by the Director of the Budget and by the administration, and, as I stated, this measure is identical with the bill that was previously passed. So under those circumstances I do not see any real reason for the bill going over.

Mr. ADAMS. Mr. President, I see that there are substituted for the words "wheat crop" the words "agricultural commodities." On the face of it, it includes many things other than wheat.

Mr. BANKHEAD. That applies merely to the administration program. This bill includes cotton only.

Mr. ADAMS. It seems to me of such significance and importance that it should be more carefully considered than it can be at this time.

Mr. BANKHEAD. I hope the Senator will give it his consideration.

Mr. ADAMS. It is a matter of great importance.

Mr. BANKHEAD. I should like to have it acted on at the next call of the calendar.

Mr. ADAMS. I suggest to the Senator that we do not wait for a call of the calendar, but set it down and have the matter gone into with greater care than is possible on a call of the calendar.

Mr. BANKHEAD. The bill contains an amendment authorizing the administration to take notes, in connection with wheat, instead of insisting on actual delivery of the wheat, in which event they have to take it and store it and keep it. The Department is anxious to have the proposed legislation enacted. It says the bill will enable approximately a million dollars to be saved. Policies are now being taken and time is important. So I ask the Senator to give this bill his consideration before the next call of the calendar.

In view of the long consideration previously given the bill—and it was unanimously reported by the committee—and in view of the fact that we are merely going over ground which has been heretofore covered, I had hoped there might not be objection to consideration of the bill. But if the Senator objects, I can only say that I am sorry.

Mr. TAFT. Mr. President, does the bill extend the law to all agricultural commodities?

Mr. BANKHEAD. No; it includes only cotton. The Department is making a study of different agricultural commodities, in the hope that it can go from one to the other as fast as the statistical information is obtained to justify such action. The Senator doubtless knows the Department has already acted in the case of wheat.

Mr. TAFT. The first section contemplates substituting "agricultural commodities" for "wheat."

Mr. BANKHEAD. That is general administrative language, so that when some other commodity is included the law will apply. The bill does not add anything but cotton.

The PRESIDING OFFICER (Mr. BUNKER in the chair). Is there objection to the consideration of the bill?

Mr. ADAMS. I object.

The PRESIDING OFFICER. The bill will be passed over.

ACCEPTANCE OF NOTES IN FEDERAL CROP INSURANCE

The bill (S. 1390) to amend section 508 (d) of the Federal Crop Insurance Act, as amended, was announced as next in order.

Mr. BANKHEAD. Mr. President, this is another little bill on the same subject, covered by the preceding bill, introduced at the request of the Department, who ask that they be empowered to permit notes to be taken, rather than to be required, as the present law requires, that the commodity itself be delivered. In the case of wheat they have to take it to a warehouse or elevator, store it, and hold it. They want to handle the transaction in another way, by taking notes payable in wheat if the farmer is not in a position to pay cash. The Department says it will save about a million dollars if it is permitted to take notes.

Mr. HATCH. Does the question of storage space also enter into the matter?

Mr. BANKHEAD. I am not sure; but the officials are anxious to have this bill enacted, because they say it would involve a large saving, and the matter of convenience. It may involve the question of space, too.

This matter is presented in two ways. I presented it as an amendment to the cotton-crop insurance measure so that it would apply to both crops if the cotton measure were passed. If it should not be passed, then it would stand as an independent bill, so that we could get it through any time, and use it under the wheat insurance plan. It does not enlarge the program; it merely authorizes the taking of notes rather than the actual delivery of the wheat.

Mr. McNARY. Mr. President, the bill now under discussion is in the form of an amendment to the bill which precedes it on the calendar, and that was brought about by the objection made by the Department and the objection of the Budget Bureau. The whole thing is a complete story with the preceding bill.

Mr. BANKHEAD. That is true.

Mr. McNARY. However, this does relate to a little different subject matter from that covered in the bill which precedes it.

Mr. BANKHEAD. No; the Senator is in error. If the bill covering cotton is not passed, then this bill relates to wheat only.

Mr. McNARY. That is what I said; this amendment is separate and apart from the substance of the bill that was discussed a minute ago.

Mr. BANKHEAD. That is true.

Mr. McNARY. While it is linked with the other bill at the request of the Department of Agriculture and of the Bureau of the Budget it still applies to a different subject matter.

Mr. BANKHEAD. That is correct.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 508 (d) of the Federal Crop Insurance Act, as amended, is amended by inserting the following sentences immediately after the first sentence thereof: "Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity."

MISSISSIPPI RIVER BRIDGE, MISSISSIPPI AND ARKANSAS

The Senate proceeded to consider the bill (S. 961) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., which had been reported from the Committee on Commerce with an amendment, on page 1, line 7, after "Congress", to insert "approved May 17, 1939, heretofore extended by an act of Congress", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., authorized to be built by the Arkansas-Mississippi Bridge Commission and its successors and assigns by an act of Congress, approved May 17, 1939, heretofore extended by an act of Congress, approved May 27, 1940, are hereby further extended 1 and 3 years, respectively, from the date of approval of this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, WISCONSIN

The bill (S. 1147) to revive and reenact the act entitled "An act authorizing the village of Cassville, Wis., or its assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near Cassville, Wis., and to a place at or near the village of Guttenberg, Iowa," approved August 7, 1939, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the act approved August 7, 1939, authorizing the village of Cassville, Wis., or its assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near Cassville, Wis., and to a place at or near the village of Guttenberg, Iowa, be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

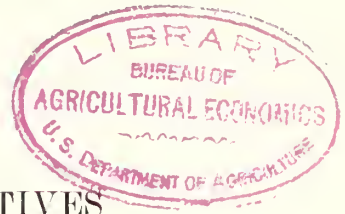
SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

PATAPSCO RIVER BRIDGE, MARYLAND

The bill (S. 1223) to extend the times for commencing and completing the construction of a bridge across or tunnel

May 5

S. 1390



IN THE HOUSE OF REPRESENTATIVES

MAY 5, 1941

Referred to the Committee on Agriculture

AN ACT

To amend section 508 (d) of the Federal Crop Insurance Act,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 508 (d) of the Federal Crop Insurance Act,
4 as amended, is amended by inserting the following sentences
5 immediately after the first sentence thereof: "Nothing in
6 this section shall prevent the Corporation from accepting,
7 for the payment of premiums, notes payable in the com-
8 modity insured, or the cash equivalent, upon such security
9 as may be determined pursuant to subsection (b) of this
10 section, and from purchasing the quantity of the commodity
11 represented by any of such notes not paid at maturity."

Passed the Senate May 1, 1941.

Attest:

EDWIN A. HALSEY,

Secretary.

AN ACT

To amend section 508 (d) of the Federal Crop Insurance Act, as amended.

MAY 5, 1941

Referred to the Committee on Agriculture

AMENDING THE FEDERAL CROP INSURANCE ACT

MAY 7, 1941.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. FULMER, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 4595]

The Committee on Agriculture, to whom was referred the bill (H. R. 4595) to amend the Federal Crop Insurance Act, having considered the same, report thereon with a recommendation that it do pass, with the following amendment:

Page 3, line 17, strike out the figures "\$15,000,000" and insert in lieu thereof the figures "\$12,000,000".

STATEMENT

The only amendments made by this bill to the Federal Crop Insurance Act, as amended, are those necessary in order that the provisions of the act may be applied, in addition to wheat, to—

the cotton crop planted for harvest in 1942, and the field-corn crop whenever the Secretary of Agriculture determines that a satisfactory actuarial basis has been established for such commodity—

and to provide that—

Nothing * * * shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity.

Sections 502 and 508 of the act are amended by substituting the words "agricultural commodity" for the word "wheat", and a new section 518 defines "agricultural commodity" as "wheat, cotton, or field corn, or all such commodities, as the context may indicate." Section 506 (11) of the act is amended by striking out the words "for wheat and other agricultural commodities", since these words are unnecessary and would be confusing and restrictive in view of the meaning of the words "agricultural commodity" given in section 518.

Section 508 is further amended by providing for the acceptance of commodity notes in the payment of premiums and enabling the Corporation to carry these notes as a part of the insurance reserve in lieu of the commodity. These commodity notes are to be payable on or before a maturity date fixed to coincide with the harvest period for the area where the insured crop is grown and may be paid either in the commodity or the cash equivalent determined on the basis of the current market price for the commodity. The credit made available by the commodity notes will be secured by the makers' authorization permitting appropriate deductions from agricultural conservation payments, parity payments, commodity loans, and indemnity payments if the maker of the note fails to pay the principal at the time of maturity.

The credit proposal embodied in the commodity note plan will replace the present method of extending credit to farmers for the payment of crop-insurance premiums. Credit is now made available to farmers for this purpose by the Secretary of Agriculture approving requests from producers for advances from contemplated agricultural conservation payments and parity payments and, after approval, he transfers the amount thereof to the Federal Crop Insurance Corporation. The Corporation uses the money transferred to it in the same manner as premiums paid in cash, namely, for the purchase of wheat to include in its insurance reserve. To date one of the major items of expense in the wheat crop insurance program has been the storage, conditioning, and care of wheat purchased by the Corporation for its insurance reserve. If the commodity note plan is put into operation there will be no need for the Secretary of Agriculture to make advances for crop insurance premium payments. Since the commodity notes will represent obligations to deliver the same quantity of the commodity which otherwise would be a physical part of the insurance reserve, the Corporation will not be required to buy wheat in an amount equal to the quantity represented by the notes. On the basis of the current operation of the wheat crop insurance program, it is estimated by the Corporation that the adoption of the commodity note plan will result in an annual saving of approximately \$1,000,000 and will provide the Government with safeguards against speculation or loss equal to those established in existing legislation. Thus in the wheat program, the new credit plan will provide the Government with equal or better security and yet result in an annual reduction of approximately \$1,000,000 in its administration. The same benefits which will accrue from the use of the commodity note plan in the wheat crop insurance program should also apply with respect to crop insurance for cotton and corn.

A new subsection (e) is added to section 508 in order to provide protection against loss in yields of cottonseed. Indemnification for loss of lint cotton yields alone would provide only about five-sixths of full protection against crop losses because of the additional loss of cottonseed. The additional premium and indemnity to cover losses in cottonseed are to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates for lint cotton.

Section 516 (a) of the act is amended by increasing from \$6,000,000 to \$12,000,000, the amount authorized to be appropriated for annual

operating and administrative expenses of the Federal Crop Insurance Corporation. The bill as originally introduced provided for an authorization of \$15,000,000 for said purpose, but it appears that \$12,000,000, the amount provided for by committee amendment, will be sufficient to cover the operating and administrative costs of programs for wheat and cotton. It is estimated that such costs in connection with a cotton crop insurance program will be approximately the same as those incurred in connection with the wheat crop insurance program. Any additional sum that may be necessary to cover costs of operation and administration in connection with a program for field corn insurance can be authorized when "the Secretary of Agriculture determines that a satisfactory actuarial basis has been established for such commodity," in accordance with the provisions of this act.

The present program which heretofore has been limited to wheat has been favorably received by wheat growers. That fact is evidenced by the ever-increasing number of such growers who are now participating in the program. That number, 165,775 in 1939, was increased to 379,420 in 1940, and to 420,891 in 1941. Hence, what was authorized by law as an experiment 3 years ago, and then limited to wheat, is now generally accepted as involving a constructive and much worthwhile program. At first, it was agreed that such a plan presented a fine theory of how the Government could aid wheat farmers through this type of protection, insuring them against unavoidable hazards like drought, winterkill, grasshoppers, wind, fire, flood, hail, etc.; but it was asked, "Would the plan work and would the farmers avail themselves of the opportunity thus afforded to insure their crops? Would that be true when the farmers would be asked to pay for the insurance, either with wheat or with its cash equivalent?" The answer to such questions has been definitely supplied by the results to date, which demonstrate that the wheat growers quickly learned its value, and have in ever-increasing numbers insured their crops.

As seen from House Document No. 277, Seventy-sixth Congress, first session, which contains the results of a study on crop insurance for cotton made by the Department of Agriculture, there is essentially the same need for the protection of cotton growers against loss in yield due to unavoidable causes as there is for the protection of wheat growers against such loss in yield. Both crops are subject to many of the same hazards. Risks average as high in cotton as in wheat. As in wheat, there is a loss somewhere in the cotton-growing area every year. While cotton-crop insurance would not afford a solution of all of the problems which confront the more than 2,000,000 cotton farmers, it would furnish security and distribute the risk over a period of years. The experience gained in administering the wheat crop insurance program should aid materially in planning a similar one for cotton. As the loss of income on the part of the growers of one crop, occasioned by crop losses, seriously affects the growers of other crops, so the loss of such income on the part of all groups affects the welfare of the Nation. Hence, it would seem advisable to extend crop insurance to cotton at this time, and in due time, and likewise, for good reasons, to field corn.

There is shown below a copy of letter from the Department of Agriculture, making a report on a similar bill; also are shown letters from the President on the subject of crop insurance, all of which are submitted as a part of this report:

APRIL 25, 1941.

HON. H. P. FULMER,
*Chairman, Committee on Agriculture,
 House of Representatives.*

DEAR MR. FULMER: This is in reply to your letter of February 27, 1941, in which you requested a report on H. R. 1058, a bill to amend the Federal Crop Insurance Act, as amended.

This bill would authorize the Federal Crop Insurance Corporation to insure cotton and field-corn crops commencing with the crops to be planted for harvest in 1942 in essentially the same manner as it now insures wheat crops.

In accordance with the provisions of section 506 (h) of the Federal Crop Insurance Act, the Department has been conducting research with respect to cotton and field corn for a period of several years with a view of developing bases for the insuring of those crops following a plan similar to that now in effect with respect to wheat. The data necessary to include cotton in the crop-insurance program have been assembled, and it is believed, therefore, that the Department is now in position to insure the 1942 cotton crop, if authorized by law. With respect to corn, however, considerable work remains to be done before it would be feasible to include corn in the insurance program. The Department believes, therefore, that legislation to include corn is not advisable at this time and it is recommended that the bill be amended accordingly.

It is noted that H. R. 1058 authorizes an increase of from \$6,000,000 to \$15,000,000 annually in the appropriation to cover operating and administrative costs of the Corporation if cotton and corn were added. If additional legislation at this time is limited to cotton, as above recommended, it is believed that the proposed over-all authorization should be reduced from \$15,000,000 to \$12,000,000. For the first year of operation it is expected that administrative and operating costs for cotton insurance may not exceed \$4,000,000 or \$4,500,000. Assuming the total figure, including the present \$6,000,000 authorization, were set at \$12,000,000 in the enabling amendment, the amount actually to be appropriated could be determined by means of the annual budgetary consideration of the needs of the program, and with the \$12,000,000 limitation some leeway would be provided to meet the needs of the situation which in the final analysis will hinge very largely upon the extent of participation, a factor which cannot be determined in advance.

Crop insurance, while not offering a solution to all of the problems of more than 2,000,000 cotton farmers, should provide an effective means by which the financial difficulties brought about by unavoidable production hazards may be overcome. In view of the many hazards that affect the production of cotton and the large number of farmers who must face these hazards, it is believed that a program of cotton crop insurance will meet a real need.

It is very necessary, and the Department so recommends, that any legislation which may be enacted at this time on crop insurance include the amendment relating to payment of premiums by commodity notes, or the cash equivalent, etc., submitted to the President of the Senate and the Speaker of the House in my letters of April 15, 1941.

Under date of April 24 the Budget Bureau advises that H. R. 1058 would not be in accord with the program of the President but that this legislation would not be in conflict therewith if amended to eliminate the proposed insurance of corn and to include the provision to permit payment of premiums in notes payable in the commodity insured, or the cash equivalent, etc., as submitted in the Department's letter of April 15, above referred to.

Sincerely,

CLAUDE R. WICKARD, *Secretary.*

THE WHITE HOUSE,
 Washington, April 5, 1941.

HON. H. P. FULMER,
House of Representatives, Washington, D. C.

MY DEAR MR. FULMER: In view of the interest which you demonstrated in S. 2635 (76th Cong., 3d sess.), a bill which would have extended to cotton the system of Federal crop insurance now applied to wheat, and your disappointment that I found it necessary to return this bill to Congress without my approval, I am now enclosing a copy of a letter which I have today sent to the Secretary of Agriculture outlining my present views on the subject.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

APRIL 5, 1941.

The honorable, the SECRETARY OF AGRICULTURE.

MY DEAR MR. SECRETARY: On May 4, 1940, I returned to Congress without my approval S. 2635 (76th Cong., 3d sess.), a bill which would have extended to cotton the system of Federal crop insurance now applied to wheat. My action was based on (a) the substantial losses incurred by Federal insurance of wheat, (b) the lack of a sound actuarial basis for a self-supporting crop insurance, and (c) the belief that when such basis was established, the producers of all major crops should share in its benefits.

I am now informed that the losses incurred by the Federal Crop Insurance Corporation have been considerably less than previously estimated and that your Department feels the actuarial basis of the Corporation has proved to be sound, provided administrative expenses continued to be paid by the Government.

While I have felt that any crop-insurance plan should be self-supporting with premiums sufficient to pay administrative costs as well as indemnities, I recognize that where the Government has entered insurance fields to meet needs which commercial insurance organizations have been reluctant to provide, it has heretofore seemed proper to share or provide the necessary administrative expenses. The Department has successfully reduced the ratio of administrative expenses and has recently submitted legislation to Congress which would permit premiums to be paid in notes of the commodity, which, if enacted, will result in further substantial savings by largely eliminating storage costs.

In view of the proven benefits of crop insurance and the reduction in administrative expenses accomplished and in prospect, it now seems to me that, as reliable actuarial bases are developed, consideration might be given to the extension of Federal insurance to other crops.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in the Agricultural Adjustment Act of 1938, as amended, made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE V—CROP INSURANCE

(Public, No. 430, 75th Cong.)

SEC. 502. It is the purpose of this title to promote the national welfare by alleviating the economic distress caused by [wheat-crop] crop failures due to drought and other causes, by maintaining the purchasing power of farmers, and by providing for stable supplies of [wheat] *agricultural commodities* for domestic consumption and the orderly flow thereof in inter-state commerce.

* * * * *

SEC. 506. The Corporation—

(a) shall have succession in its corporate name;
 (b) may adopt, alter, and use a corporate seal, which shall be judicially noticed;
 (c) may make contracts and purchase or lease and hold such real and personal property as it deems necessary or convenient in the transaction of its business, and may dispose of such property held by it upon such terms as it deems appropriate;

(d) subject to the provisions of section 508 (c), may sue and be sued in its corporate name in any court of competent jurisdiction, State, or Federal: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property;

(e) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers granted to it by law may be exercised and enjoyed;

(f) shall be entitled to the free use of the United States mails in the same manner as the other executive agencies of the Government;

(g) with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officials, and employees thereof in carrying out the provisions of this title;

(h) may conduct researches, surveys, and investigations relating to crop insurance [for wheat and other agricultural commodities];

(i) shall determine the character and necessity for its expenditures under this title and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other laws governing the expenditure of public funds and such determinations shall be final and conclusive upon all other officers of the Government; and

(j) shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation and all such incidental powers as are customary in corporations generally.

* * * * *

SEC. 508. To carry out the purposes of this title the Corporation is authorized and empowered—

(a) Commencing with the wheat crop planted for harvest in 1939 [.] and with the cotton crop planted for harvest in 1942, and the field corn crop whenever the Secretary of Agriculture determines that a satisfactory actuarial basis has been established for such commodity to insure, upon such terms and conditions not inconsistent with the provisions of this title as it may determine, [producers of wheat against loss in yields of wheat] producers of the agricultural commodity against loss in yields of the agricultural commodity due to unavoidable causes, including drought, flood, hail, wind, winterkill, lightning, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board: *Provided, however,* That for the first three years of operation under this title contracts of insurance shall not be made for periods longer than one year: *Provided further,* That the Corporation may, upon such terms and conditions as it shall determine, accept payments from producers in any year to be applied toward premiums on their insurance contracts for the current and next succeeding year. Such insurance shall not cover losses due to the neglect or malfeasance of the producer or to the failure of the producer to reseed in areas and under circumstances where it is customary to reseed. Such insurance shall cover not less than 50 or more than 75 per centum, to be determined by the Board, of the recorded or appraised average yield of [wheat] the agricultural commodity on the insured farm for a representative base period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just. The Board may condition the issuance of such insurance in any county or area upon a minimum amount of participation in a program of crop insurance formulated pursuant to this title.

(b) To fix adequate premiums for such insurance, payable either in [wheat] the agricultural commodity or cash equivalent as of the due date thereof, on the basis of the recorded or appraised average crop loss of [wheat] the agricultural commodity on the insured farm for a representative base period subject to such adjustments as the Board may prescribe to the end that the premiums fixed for farms in the same area, which are subject to the same conditions, may be fair and just. Such premiums shall be collected at such time or times, in such manner, and upon such security as the Board may determine.

(c) To adjust and pay claims for losses either in [wheat] the agricultural commodity or in cash equivalent under rules prescribed by the Board. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation an action on such claim may be brought against the Corporation in the district court of the United States in and for the district in which the insured farm is located, and exclusive jurisdiction is hereby conferred upon such courts to determine such controversies without regard to the amount in controversy: *Provided,* That no suit on such claim shall be allowed under this section unless the same shall have been brought within one year after the date when notice of denial of the claim is mailed to the claimant.

(d) From time to time, in such manner and through such agencies as the Board may determine, to purchase, handle, store, insure, provide storage facilities for, and sell [wheat] the agricultural commodity, and pay any expenses incidental thereto, it being the intent of this provision, however, that, insofar as practicable the Corporation shall purchase [wheat] the agricultural commodity only at the rate and to a total amount equal to the payment of premiums in cash by farmers

or to replace promptly [wheat] the agricultural commodity sold to prevent deterioration; and shall sell [wheat] the agricultural commodity only to the extent necessary to cover payments of indemnities and to prevent deterioration: *Provided, however,* That nothing in this section shall prevent prompt offset purchases and sales of [wheat] the agricultural commodity for convenience in handling. *Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity.* The restriction on the purchase and sale of [wheat] the agricultural commodity provided in this section shall be made a part of any crop insurance agreement made under this title. Notwithstanding any provision of this title, there shall be no limitation upon the legal or equitable remedies available to the insured to enforce against the Corporation the foregoing restriction with respect to purchases and sales of [wheat] the agricultural commodity.

(e) *In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates.*

* * * * *

SEC. 516. (a) There are hereby authorized to be appropriated such sums, not in excess of [\$6,000,000] \$12,000,000 for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided, That* expenses in connection with the purchase, transportation, handling, or sale of [wheat] the agricultural commodity may be considered by the Corporation as being nonadministrative or nonoperating expenses. For the fiscal year ending June 30, 1939, the appropriation authorized under this subsection is authorized to be made only out of the unexpended balances for the fiscal year ending June 30, 1938, of the sums appropriated pursuant to section 15 of the Soil Conservation and Domestic Allotment Act, as amended.

(b) The Secretary and the Corporation, respectively, are authorized to issue such regulations as may be necessary to carry out the provisions of this title.

* * * * *

SEC. 518. "Agricultural commodity," as used in this Act, means wheat, cotton, or field corn, or all such commodities, as the context may indicate.

* * * * *

[Sec. 518.] SEC. 519. The right to alter, amend, or repeal this title is hereby reserved.



77TH CONGRESS
1ST SESSION

H. R. 4595

[Report No. 508]

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 1941

Mr. FULMER introduced the following bill; which was referred to the Committee on Agriculture

MAY 7, 1941

Reported with an amendment, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Federal Crop Insurance Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 502 of the Federal Crop Insurance Act, as
4 amended, is hereby amended by substituting the word "crop"
5 for the word "wheat-crop" and by substituting the words
6 "agricultural commodities" for the word "wheat".

7 SEC. 2. That section 506 (h) of said Act, as amended,
8 is amended by striking out the words "for wheat and other
9 agricultural commodities".

10 SEC. 3. That section 508 of said Act, as amended, is
11 amended by striking out the first comma in subsection (a)

1 thereof and inserting in lieu thereof the following: "and
2 with the cotton crop planted for harvest in 1942, and the
3 field corn crop whenever the Secretary of Agriculture deter-
4 mines that a satisfactory actuarial basis has been established
5 for such commodity".

6 SEC. 4. That section 508 of said Act, as amended, is
7 further amended by striking out the words "producers of
8 wheat against loss in yields of wheat" in the first sentence
9 and substituting in lieu thereof the words "producers of the
10 agricultural commodity against loss in yields of the agricul-
11 tural commodity".

12 SEC. 5. That section 508 of said Act, as amended, is
13 further amended by substituting the words "the agricultural
14 commodity" for the word "wheat" in the third sentence of
15 subsection (a).

16 SEC. 6. That sections 508 (b), (c), and (d) and 516
17 (a) of said Act, as amended, are further amended by sub-
18 stituting the words "the agricultural commodity" for the
19 word "wheat" wherever it appears.

20 SEC. 7. That section 508 (d) of said Act, as amended,
21 is further amended by inserting the following sentence im-
22 mediately after the first sentence thereof: "Nothing in this
23 section shall prevent the Corporation from accepting, for the
24 payment of premiums, notes payable in the commodity in-
25 sured, or the cash equivalent, upon such security as may

1 be determined pursuant to subsection (b) of this section,
2 and from purchasing the quantity of the commodity repre-
3 sented by any of such notes not paid at maturity.”

4 SEC. 8. That section 508 of said Act, as amended, is
5 further amended by adding at the end thereof the following
6 new subsection:

7 “(e) In connection with insurance upon yields of cot-
8 ton, to include provision for additional premium and in-
9 demnity in terms of lint cotton to cover loss of cottonseed,
10 such additional premium and indemnity to be determined
11 on the basis of the average relationship between returns
12 from cottonseed and returns from lint cotton for the same
13 period of years as that used for computing yields and
14 premium rates.”

15 SEC. 9. That section 516 (a) of said Act, as amended,
16 is amended by striking out the figures “\$6,000,000” and
17 substituting in lieu thereof the figures ~~“\$15,000,000”~~
18 “\$12,000,000”.

19 SEC. 10. That said Act, as amended, is further amended
20 by redesignating section 518 as section 519, and by addition
21 thereto of the following new section:

22 “SEC. 518. ‘Agricultural commodity,’ as used in this
23 Act, means wheat, cotton, or field corn, or all such com-
24 modities, as the context may indicate.”

77TH CONGRESS
1ST Session

H. R. 4595

[Report No. 508]

A BILL

To amend the Federal Crop Insurance Act.

By Mr. FULMER

APRIL 30, 1941

Referred to the Committee on Agriculture

MAY 7, 1941

Reported with an amendment, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

Translated in pounds, based on a 10-year average of yields per acre, the net cost of producing a pound of cotton, including rent, is 9.6 cents; excluding rent, 7.8 cents.

These figures are for the 1937 crop and are the latest production figures I have at hand, but the cost of production does not vary a great deal over an average period of years.

Taking into consideration the frequency of material crop losses that occur over the Cotton Belt and almost total losses that occur occasionally in lesser portions of the region, it is not surprising that the average annual income of the cotton farmer is so pathetically low.

The seriousness of hazards to cotton are graphically shown by Bureau of Agricultural Economics figures giving the percentage of reduction from full yield in recent years:

	Percent
1928.....	36.4
1929.....	43.8
1930.....	47.1
1931.....	27.8
1932.....	42.7
1933.....	28.6
1934.....	42.6
1935.....	36.8
1936.....	38.5
1937.....	23.1

Crop failures befall one part or another of the Cotton Belt practically every year. The consequence is that the farmers who suffer these crop losses have little or no income on which to live. Where borrowers are dependent upon a crop for income and that crop is subject to numerous uncontrollable hazards, the grower is often rated a questionable credit risk. Too many crop failures and his credit dries up completely. Or if he still is considered a credit risk, he generally must pay interest rate commensurate with that high degree of risk. Crop insurance would enlarge the availability of credit. It would provide the cotton farmer with a better distribution of income from year to year and thus alleviate some of the hardship brought about by crop failure. The burden of crop failure on cotton farms, as with wheat farms, has frequently been beyond the resources of the individual grower. At such times governmental relief is the only place to which the individual can turn. According to figures taken from the records of the Director of Information of the United States Department of Agriculture, the Federal Government spent for emergency agricultural relief a total of \$600,000,000 during the 10-year period from 1926 to 1935. A large part of this relief was absolutely essential because of crop failures.

The crop-insurance program is materially reducing the need for Federal and State Government relief in wheat areas, and it can do the same for the cotton South.

We do not claim that crop insurance offers a solution for all the cotton farmers' problems, for many of these problems are world-wide in scope. We do believe and nonestly affirm that application of the program to the Cotton Belt would make a great contribution to-

ward solution for many farmers of the problems that are caused by the hazardous factors of crop production.

By the same token, it would undoubtedly make a significant contribution to the welfare of the whole Nation, for it does not take an economist to know that the security and prosperity of the cotton industry has a marked influence on the security and prosperity of the entire country.

I am delighted with the findings of the comprehensive research that has been conducted by agricultural experts with the Crop Insurance Corporation and other departments of the United States Department of Agriculture with relation to the possibilities of cotton-crop insurance.

I have recently reread and analyzed again the statements of Mr. R. T. Baggett, associate agricultural economist of the Bureau of Agricultural Economics, as presented before the Agriculture Committee of the House in July 1939. Since that time much additional information has been assembled, of course, and the more thought I give to the subject, the stronger becomes my conviction that we should no longer delay the inclusion of cotton and cottonseed in the crop-insurance program.

Mr. Baggett had made an objective study of conditions at first hand in the strategic areas of the cotton South. In my State, for example, he attended several meetings that were held in Mississippi, arranged by the director of extension, where discussions were held regarding the proposed plan for cotton-crop insurance. The farmers were asked to express their opinions as to how they thought insurance might be received there, and not a dissenting vote was cast in these meetings.

Furthermore, previous to the time these meetings were held, and previous to the time that crop conditions became critical in that area, the director of extension had sent copies of House Document 277, A Suggested Plan for Cotton Crop Insurance, to about 604 cotton growers in the State of Mississippi and asked them to read that and send to him their comments on the plan as proposed in that bulletin, and out of the 604 replies received, 403 were in favor of it. That is to say, 80 percent of the representative farmers of the State were in favor of the plan.

Mr. Baggett and his assistants selected strategic counties in various cotton States and completed actuarial computations to reflect tentative figures for premium rates on cotton, 75-percent coverage. Based on these tentative computations, it appears that the average rate for the State of Mississippi premiums is around 9 pounds per acre.

This chart of tentative figures for county average yield and county average premium rates for 75-percent insurance in selected, strategic counties in all the typical cotton States is herewith presented, and I wish to make it a part of the RECORD.

Tentative figures for county acreage yield and county average premium rates for 75-percent insurance per acre for cotton crop insurance in selected counties in Cotton Belt

[From the report of R. T. Baggett, associate agricultural economist, Bureau of Agricultural Economics, U. S. Department of Agriculture]

State and county	11-year county average yield (1928-38)	County average premium rate
	Pounds lint	Pounds lint
North Carolina:		
Anson.....	252	8.3
Johnston.....	276	7.5
Rowan.....	288	9.5
Sampson.....	267	8.9
Vance.....	258	5.2
Florida: Madison.....	119	9.8
South Carolina:		
Allendale.....	208	9.8
Anderson.....	250	6.0
Chester.....	226	6.6
Darlington.....	229	12.8
Dillon.....	294	14.1
Orangeburg.....	248	12.4
Richland.....	188	9.0
Saluda.....	241	9.9
Spartanburg.....	271	5.4
Georgia:		
Burke.....	217	9.5
Carroll.....	254	4.3
Cherokee.....	230	4.4
Early.....	207	8.7
Floyd.....	241	3.4
Jasper.....	207	7.7
Jenkins.....	221	8.4
Laurens.....	199	12.3
Oglethorpe.....	193	9.8
Tattnall.....	156	12.7
Terrill.....	249	9.5
Tift.....	230	8.0
Walton.....	248	4.2
Wayne.....	198	16.0
Wilcox.....	200	6.4
Upson.....	161	13.4
Alabama:		
Barbour.....	157	13.0
Bibb.....	214	10.3
Escambia.....	221	9.3
Etowah.....	242	6.5
Lemer.....	219	7.9
Madison.....	235	7.1
Randolph.....	216	5.4
Sumter.....	147	8.5
Mississippi:		
Amite.....	177	12.0
Attala.....	186	7.3
Bolivar.....	281	14.6
Chickasaw.....	177	12.6
Cleburne.....	198	10.5
Coahoma.....	289	11.3
Humphreys.....	276	11.0
Issaquena.....	265	16.4
Jasper.....	210	11.1
Lee.....	214	7.7
Marion.....	208	9.6
Perry.....	193	13.3
Tippah.....	203	10.4
Winston.....	187	12.9
Louisiana:		
Caddo.....	244	7.1
Concordia.....	294	14.1
East Carroll.....	344	10.3
Jackson.....	170	8.0
Jefferson Davis.....	228	9.3
Natchitoches.....	278	8.9
Red River.....	205	7.0
Richland.....	242	11.6
St. Martin.....	212	24.8
Tangipahoa.....	184	10.7
Texas:		
Archer.....	111	19.9
Bell.....	150	5.7
Brazoria.....	189	23.1
Brazos.....	173	10.0
Coleman.....	110	10.9
Dawson.....	138	17.2
Denton.....	148	8.0
Dickens.....	144	22.0
Donley.....	151	12.5
Ellis.....	173	6.7
El Paso.....	506	13.7
Guadalupe.....	136	10.7
Hardeman.....	122	18.4
Harrison.....	130	6.4
Hunt.....	162	7.5
Jones.....	121	16.9
Liberty.....	188	16.5
Lubbock.....	160	25.0
McCulloch.....	118	8.1
McCook.....	164	8.5
Nueces.....	205	8.6
Titus.....	138	6.6
Ward.....	173	13.7

Tentative figures for county acreage yield and county average premium rates for 75-percent insurance per acre for cotton crop insurance in selected counties in Cotton Belt—Continued

State and county	11-year county average yield (1928-38)	County average premium rate
	Pounds lint	Pounds lint
Oklahoma:		
Beckham.....	139	17.8
Canadian.....	140	17.5
Cleveland.....	143	10.0
Comanche.....	114	15.8
Dewey.....	122	17.6
Harmon.....	120	13.7
Jefferson.....	129	13.0
Johnston.....	122	11.0
McCurtain.....	137	11.1
Muskogee.....	135	17.7
Payne.....	133	16.5
Pittsburgh.....	127	10.7
Tennessee:		
Fayette.....	198	6.9
Giles.....	210	4.0
Herdin.....	181	6.3
Lake.....	323	10.7
Meigs.....	199	7.0
Rutherford.....	203	6.1
Arizona:		
Graham.....	538	8.1
Greenlee.....	320	17.6
Mariopa.....	356	4.3
Pinal.....	359	10.8
Kentucky:		
Calloway.....	232	13.7
Carlisle.....	249	18.2
Fulton.....	318	16.5
Virginia:		
Greensville.....	276	8.8
Mecklenburg.....	245	9.6
Princess Anne.....	304	16.4
Southampton.....	289	13.3
Arkansas:		
Arkansas.....	170	11.2
Chicot.....	238	9.5
Clay.....	245	12.0
Franklin.....	127	6.9
Garland.....	131	11.3
Lawrence.....	200	13.4
Lee.....	217	13.0
Little River.....	152	5.5
Lonoke.....	201	6.2
Quachita.....	140	9.7
Scott.....	122	8.4
Stone.....	129	9.3

Mr. President, it will be noted that in certain parts of the Belt the risks are greater than they are in Mississippi and the premium rates are, of course, relatively higher. But the greater the risk in crop production, the greater the need for protection.

If we may assume that cotton farmers of other States are as interested in securing cotton-crop insurance as in Mississippi—where a representative 80 percent favored the plan even when it was still in its infancy, we may safely assume that cotton farmers over the entire Belt will be ready and eager, in large numbers, to take advantage of it—provided the proposed amendment passes, as I do most fervently hope it will. As a matter of fact, many cotton farmers are pleading for this protection and I do not see how we can turn a deaf ear to their pleas. They have seen that 55,929 wheat growers in 1939 were paid indemnities amounting to 10,163,487 bushels and that in 1940, 112,645 wheat growers received indemnities aggregating 22,887,713 bushels, and they are wondering why they, the cotton farmers, cannot likewise participate in a program which is working out so advantageously.

A reading of the 1940, or Second Annual, Report of the Manager of the Federal Crop Insurance Corporation, will convince the skeptical that the program

is being administered in a businesslike manner for the wheat farmers. The vast amount of convincing actuarial and other factual data made available through the Department of Agriculture furnishes sufficient evidence that cotton-crop insurance can also be made tenable. So I can see no reasonable argument against inclusion of our largest group of farmers in the whole Nation—the cotton farmers—in the crop-insurance plan. We have only asked for an additional appropriation of \$6,000,000 to administer cotton-crop insurance. Surely, even in the face of the necessity for retrenchment to as great extent as possible in nondefense expenditures, the 10,000,000 people who are dependent on the cotton crop for their principal source of income, are entitled to this small consideration.

As a matter of strict fact, the protection of this important sector of our population against the economic hazards that constantly threaten them, is a defense measure. As I look at it, proper defense is more than the mere assembling of physical implements of defense or the building of Army, Navy, and Air Forces. Proper defense should include protection against all the things that the people in our democracy have cause to fear. And what is more to be feared than the loss of one's source of livelihood? Few aspects of human pathos are more poignant than the loss of a crop into which the farmer has not only invested his dollars but his hard, unremitting toil and his faith for the coming harvest.

Thomas Jefferson said, about 150 years ago:

The cultivators of the earth are the most valuable citizens. They are the most vigorous, the most virtuous, and they are tied to their country, and wedded to its liberty and interests by the most lasting bonds.

Those who labor in the earth are the chosen people of God, if He ever had a chosen people, whose breasts He has made His peculiar deposit for substantial and genuine virtue. It is the focus in which He keeps alive that sacred fire, which otherwise might escape from the face of the earth. Corruption of morals in the mass of the cultivators is a phenomenon of which no age nor nation has furnished an example. It is the mark set on those, who, not looking up to heaven, to their own soil and industry, as does the husbandman, for the subsistence, depend for it on casualties and caprice of customers. Dependence begets subservience and venality, suffocates the germ of virtue, and prepares fit tools for the designs of ambition. Generally speaking, the proportion which the aggregate of the other classes of citizens bears in any State to that of its husbandmen is the proportion of its unsound to its healthy parts, and is a good enough barometer whereby to measure its degree of corruption.

It was true when Jefferson said it 150 years ago, and it is equally true today; the tillers of the soil are the most vigorous and courageous of our citizens, taken as a whole, and they are without question the backbone of our Nation.

It was true when Jefferson said it 150 years ago, and it is equally true today that dependence begets subservience and venality, suffocates the germ of virtue (and virtue includes patriotism).

It was true when Jefferson said it 150 years ago, and it is equally true today that the proportion which the aggregate

of the other classes of citizens bears in any State (or country) to that of its farmers is the proportion of its unsound to its healthy parts, and is a sure enough barometer whereby to measure its degree of corruption or instability.

Yes, Mr. President, I believe with all my heart that the inauguration of cotton-crop defense—defense against the thing that the farmer fears most—deserves consideration as a potentially important link in national solidarity and security. And I do most urgently plead for the passage of Senate bill 158, which would pave the way for this measure of defense for our cotton farmers.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL CROP INSURANCE ACT

The Senate proceeded to consider the bill (S. 158) to amend the Federal Crop Insurance Act which had been reported from the Committee on Agriculture and Forestry with an amendment on page 3, after line 11, to insert:

SEC. 10. That section 508 (d) of the Federal Crop Insurance Act, as amended, is amended by inserting the following sentences immediately after the first sentence thereof: "Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity."

So as to make the bill read:

Be it enacted, etc., That section 502 of the Federal Crop Insurance Act, as amended, is hereby amended by substituting the word "crop" for the word "wheat-crop" and by substituting the words "agricultural commodities" for the word "wheat."

SEC. 2. That section 506 (h) of said act, as amended, is amended by striking out the words "for wheat and other agricultural commodities."

SEC. 3. That section 508 of said act, as amended, is amended by striking out the first comma in subsection (a) thereof and inserting in lieu thereof the following: "and with the cotton crop planted for harvest in 1942."

SEC. 4. That section 508 of said act, as amended, is further amended by striking out the words "producers of wheat against loss in yields of wheat" in the first sentence, and substituting in lieu thereof the words "producers of the agricultural commodity against loss in yields of the agricultural commodity."

SEC. 5. That section 508 of said act, as amended, is further amended by substituting the words "the agricultural commodity" for the word "wheat" in the third sentence of subsection (a).

SEC. 6. That sections 508 (b), (c), and (d) and 516 (a) of said act, as amended, are further amended by substituting the words "the agricultural commodity" for the word "wheat" wherever it appears.

SEC. 7. That section 508 of said act, as amended, is further amended by adding at the end thereof the following new subsection:

"(e) In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be de-

terminated on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates."

SEC. 8. That section 516 (a) of said act, as amended, is amended by striking out the figures "\$6,000,000" and substituting in lieu thereof the figures "\$12,000,000."

SEC. 9. That said act, as amended, is further amended by redesignating section 518 as section 519, and by addition thereto of the following new section:

"SEC. 518. 'Agricultural commodity,' as used in this act, means wheat or cotton, or both, as the context may indicate."

SEC. 10. That section 508 (d) of the Federal Crop Insurance Act, as amended, is amended by inserting the following sentence immediately after the first sentence thereof: "Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity."

Mr. McNARY. Mr. President, I favor this bill, as I have always favored crop insurance, but the last time the calendar was called some Senator objected. I understand that objection has been removed.

Mr. BANKHEAD. That objection has been removed.

Mr. McNARY. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time and passed.

CONTINUATION OF TEMPORARY INCREASES IN POSTAL RATES

The joint resolution (H. J. Res. 105) to continue the temporary increases in postal rates on first-class matter and for other purposes was considered, ordered to a third reading, read the third time and passed.

LANDS ADJACENT TO TURTLE MOUNTAIN INDIAN AGENCY, N. DAK.

The bill (H. R. 3362) to amend the act of May 24, 1940 (Public, No. 520, 76th Cong.) was considered, ordered to a third reading, read the third time, and passed.

EXTRADITION OF FUGITIVES FROM JUSTICE

The Senate proceeded to consider the bill (S. 269) to amend section 5278 of the Revised Statutes, as amended, which was read as follows:

Be it enacted, etc., That section 5278 of the Revised Statutes, as amended, is amended by inserting after the words "an indictment found" the following: "or information filed by a prosecuting officer."

Mr. CLARK of Missouri. Mr. President, may we have an explanation of the bill?

Mr. McFARLAND. Mr. President, this bill is for the purpose of amending the statute relating to the extradition of fugitives from one State to another.

The existing law provides that when the executive of any State or Territory demands any person as a fugitive from

justice of the executive of any other State or Territory, to which such person has fled, and produces a certified copy of an indictment or an affidavit made before a magistrate charging the person demanded with having committed treason, felony, or other crime, it shall be the duty of the executive of the State or Territory to which such person has fled to cause him to be arrested and to be delivered to the agent of the demanding jurisdiction.

The bill under consideration would amend the existing law by inserting the words "or information filed by a prosecuting officer" immediately following the words "an indictment found." The existing law dates back almost 150 years. Since that time many States have, in whole or in part, abandoned prosecutions by indictment and have substituted prosecutions by information.

The purpose of this bill is to give the same effect to an information as to an indictment in extradition cases between the States.

Mr. CLARK of Missouri. Is the only effect of the bill to put information filed by the prosecuting attorney on the same footing as indictments?

Mr. McFARLAND. That is correct.

Mr. CLARK of Missouri. I think that is a very meritorious change. There are a great many States, including my own, that very rarely proceed by indictment, but proceed by information to a very much larger extent than by indictment.

Mr. McFARLAND. That is the reason for the bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXCHANGE OF LAND IN SANTA YSABEL INDIAN RESERVATION, CALIF.

The bill (H. R. 3514) to authorize the Secretary of the Interior to effect an exchange of certain tribal land of the Santa Ysabel Indian Reservation, Calif., for other land of equal value, was considered, ordered to a third reading, read the third time, and passed.

W. R. LARKIN AND DORA LARKIN

The Senate proceeded to consider the bill (H. R. 4064) for the relief of W. R. Larkin and Dora Larkin, in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho, which had been reported from the Committee on Indian Affairs with an amendment on page 2, at the end of the bill, to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the acts of June 20, 1938 (52 Stat. 1363), and June 11, 1940 (Private, No. 362, 76th Cong.), for the relief of certain individuals named therein in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho, are hereby supplemented and further amended by authorizing payment, pursuant to the provisions of said acts, of the sum of \$4,000 to W. R. Larkin and Dora Larkin, in lieu of the payment of the sum of \$2,000 to W. R. Larkin, as therein authorized: *Provided*, That the Secretary of the Treasury shall accord recognition to any valid assignment executed by W. R. Larkin and Dora Larkin to the Fort Hall Water Users' Associa-

tion of all or any part of the amount herein authorized for payment to them.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

ACQUISITION OF INDIAN LANDS FOR CENTRAL VALLEY PROJECT

The bill (S. 1120) for the acquisition of Indian lands for the Central Valley project, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in aid of the construction of the Central Valley project, authorized by the acts of April 8, 1935 (49 Stat. 115), and August 26, 1937 (50 Stat. 850), there is hereby granted to the United States, subject to the provisions of this act, (a) all the right, title, and interest of the Indians in and to the tribal and allotted lands within the area embraced by the Central Valley project, including sites of agency and school buildings and related structures, as may be designated thereby by the Secretary of the Interior from time to time, and (b) such other interests in or to any of such lands and property as may be required and as may be designated by the Secretary of the Interior from time to time for the construction of reservoirs, canals, ditches, pipe lines, highways, railroads, telegraph, telephone, and electric transmission lines in connection with the project, or for the relocation or reconstruction of such facilities made necessary by the construction of the project.

SEC. 2. As lands or interests in lands are designated from time to time under this act, the Secretary of the Interior shall determine the amount of money to be paid to the Indians as just and equitable compensation therefor. As to the tribal lands, the amounts so determined shall be transferred in the Treasury of the United States from the funds now or hereafter made available for the construction of the Central Valley project to the credit of the appropriate tribe pursuant to the provisions of the act of May 17, 1926 (44 Stat. 560). The amounts due individual landowners or their heirs or devisees shall be paid from funds now or hereafter made available for the construction of said project to the superintendent of the appropriate Indian agency or such other officer as shall be designated by the Secretary of the Interior for credit on the books of such agency to the accounts of the individuals concerned.

SEC. 3. Funds deposited to the credit of allottees, their heirs or devisees, may be used, in the discretion of the Secretary of the Interior, for the acquisition of other lands and improvements, or the relocation of existing improvements or construction of new improvements on the lands so acquired for the allottees or heirs whose lands and improvements are acquired under the provisions of this act. Lands so acquired shall be held in the same status as those from which the funds were derived, and shall be nontaxable until otherwise provided by Congress.

SEC. 4. As to any Indian cemetery lands required for the project, the Secretary of the Interior is authorized, in his discretion, in lieu of requiring payment therefor, to establish cemeteries on other lands that he may select and acquire for the purpose, and to remove bodies, markers, and other appurtenances to the new sites. All costs incurred in connection with any such relocation shall be paid from moneys appropriated for the project. All right, title, and interest of the Indians in the lands within any cemetery so relocated shall terminate and the grant of title under this act take effect as of the date the Secretary of the Interior authorizes the

relocation. Sites of the relocated cemeteries shall be held in trust by the United States for the appropriate tribe, or family, as the case may be, and shall be nontaxable.

SEC. 5. The Secretary of the Interior is hereby authorized to perform any and all acts and to prescribe such regulations as he may deem appropriate to carry out the provisions of this act.

EASTERN AND WESTERN CHEROKEES

The bill (S. 1113) for the relief of the Eastern and Western Cherokees, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$432.28, with interest at 5 percent per annum from January 1, 1874, to the date of the passage of this act, the same being the balance arising from the sale of the Cherokee Strip, the title to which was vested by the treaty of 1846 (9 Stat. 871) in the whole Cherokee people, and said fund having been found due by the *Stade-Bender Award* and appearing as item 3 in the judgment of the Supreme Court of the United States in 1903 (202 U. S. 101); and when appropriated shall be placed to the credit of the Eastern and Western Cherokees and paid to their attorney of record by the Secretary of the Treasury.

RESOLUTION PASSED OVER

The resolution, Senate Resolution 96, submitted by Mr. ADAMS, making rule XVI applicable to amendments to relief and work-relief bills, was announced as next in order.

Mr. BARKLEY. I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

LAND OWNERS ON UINTAH INDIAN IRRIGATION PROJECT

The bill (H. R. 3987) to provide relief for, and to promote the interests of, the landowners on the Uintah Indian irrigation project, Utah, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

WATER FOR FIRE FIGHTING BY LOCAL GOVERNMENTS ADJACENT TO THE DISTRICT

The bill (S. 234) to authorize the Chief of Engineers of the Army to enter into agreements with local governments adjacent to the District of Columbia for the use of water for purposes of fire fighting only was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Chief of Engineers of the Army is hereby authorized to formulate regulations and enter into agreements with county or other local governments in communities adjacent to the District of Columbia for the use of unfiltered water from the supply conduits along Conduit Road between the Dalecarlia Reservoir and Great Falls for emergency purposes in fire fighting only.

TRAINING OF ENLISTED MEN OF THE ARMY AS AVIATION STUDENTS

The Senate proceeded to consider the bill (S. 1371) to authorize the training of enlisted men of the Army as aviation students, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 3, after the words "amount of", to strike out

"\$5,000" and insert "\$10,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized, under such regulations as he may prescribe, to cause the detail of enlisted men of the Regular Army and of other components of the Army of the United States in active Federal service for training and instruction as aviation students, in their respective grades, in such numbers and schools as he shall direct: *Provided*, That enlisted men so detailed as aviation students who are undergoing courses of instruction which require them to participate regularly and frequently in aerial flights shall be issued Government life insurance in the amount of \$10,000 under the National Service Life Insurance Act of 1940 (Public, No. 801, title VI, pt. 1), except that the premiums shall be paid by the Government during the period such enlisted men are undergoing training and instruction, and upon completion of training and instruction as aviation students they shall have the option of continuing such policies at their own expense: *And provided further*, That nothing herein shall be construed as repealing or otherwise affecting existing statutory authorizations for the appointment and training of aviation students or aviation cadets.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LITTLEFIELD-WYMAN NURSERIES

The bill (H. R. 819) for the relief of Littlefield-Wyman Nurseries was considered, ordered to a third reading, read the third time, and passed.

FOOT'S TRANSFER & STORAGE CO., LTD.

The bill (H. R. 1151) for the relief of Foot's Transfer & Storage Co., Ltd., was considered, ordered to a third reading, read the third time, and passed.

RUSSELL H. GAUSLIN

The bill (H. R. 1267) for the relief of Russell H. Gauslin was considered, ordered to a third reading, read the third time, and passed.

ADAM M. GARMON

The bill (H. R. 1355) for the relief of Adam M. Garmon was considered, ordered to a third reading, read the third time, and passed.

PATENTS TO CERTAIN SETTLERS IN PYRAMID LAKE INDIAN RESERVATION, NEV.

The bill (S. 13) to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patents for certain lands entered pursuant to section 1 of the act of June 7, 1924, entitled "An act for the relief of settlers and town-site occupants of certain lands in the Pyramid Lake Indian Reservation, Nev.," upon the payment of unpaid balances based upon reappraisals made in 1934 as follows: J. A. Ceresola, \$4,595.89; W. J. Ceresola, \$4,376.11; Domenico Ceresola, \$4,926.63; M. P. Depauli, \$4,878.56; and the Garaventa Land & Livestock Co., \$2,951.51: *Provided*, That the foregoing amounts, together with interest at 3½ percent per annum from date of reappraisals made in 1934, shall be paid within 90 days from the date of the passage and approval of this act: *And pro-*

vided further, That in the case of the death of any of the entrymen, payments may be received from and patents be issued to the heirs or legal successors of the entrymen herein named.

CONVEYANCE OF LAND IN WASHINGTON TO CECELIA CROW ARQUETTE

The bill (H. R. 3404) authorizing the Secretary of the Interior to convey the right, title, and interest of the United States in certain property, was considered, ordered to a third reading, read the third time, and passed.

DEVELOPMENT OF FARM UNITS ON PUBLIC LANDS

The bill (S. 1039) to extend the time limit for cooperation between the Bureau of Reclamation and the Farm Security Administration in the development of farm units on public lands under Federal reclamation projects, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of August 7, 1939 (Public, No. 307, 76th Cong., 1st sess.), as amended by the act of June 17, 1940 (Public, No. 636, 76th Cong., 3d sess.), is hereby further amended by striking out "during the fiscal year 1941," and by inserting during the fiscal year 1942."

CLAIMS OF UTE INDIANS

The Senate proceeded to consider the bill (S. 215) to amend the act entitled "An act conferring jurisdiction upon the United States Court of Claims to hear, examine, adjudicate, and render judgment on any and all claims which the Ute Indians or any tribe or band thereof may have against the United States, and for other purposes," approved June 28, 1938, which had been reported from the Committee on Indian Affairs with amendments, on page 2, line 5, before the word "by" to strike out "and", and on page 2, after line 7, to insert "by striking out the word 'of' following the word 'ownership' appearing in the first proviso of the said section; and by striking out the word 'constituent', in section 1 and inserting in lieu the word 'constituent'", so as to make the bill read:

Be it enacted, etc., That section 6 of the Act entitled "An act conferring jurisdiction upon the United States Court of Claims to hear, examine, adjudicate, and render judgment on any and all claims which the Ute Indians or any tribe or band thereof may have against the United States, and for other purposes," approved June 28, 1938, is hereby amended by striking out the words "anything in any other acts of Congress to the contrary notwithstanding" and inserting in lieu thereof a period and the following: "Anything in any other acts of Congress to the contrary notwithstanding"; by striking out "range 35" wherever it appears in such section and inserting in lieu thereof the following: "township 35 north"; by striking out the word "of" following the word "ownership" appearing in the first proviso of the said section; and by striking out the word "constituent" in section 1 and inserting in lieu the word "constituent."

The amendments were agreed to.

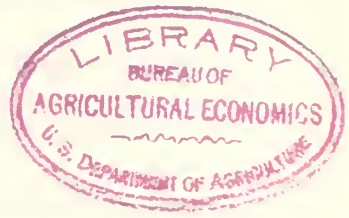
The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MURDOCK subsequently said: Mr. President, I enter a motion to reconsider the vote by which Senate bill 215 was

May 18

77TH CONGRESS
1ST SESSION

S. 158



IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1941

Referred to the Committee on Agriculture

AN ACT

To amend the Federal Crop Insurance Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 502 of the Federal Crop Insurance Act, as
4 amended, is hereby amended by substituting the word "crop"
5 for the word "wheat-crop" and by substituting the words
6 "agricultural commodities" for the word "wheat".

7 SEC. 2. That section 506 (h) of said Act, as amended,
8 is amended by striking out the words "for wheat and other
9 agricultural commodities".

10 SEC. 3. That section 508 of said Act, as amended, is
11 amended by striking out the first comma in subsection (a)

1 thereof and inserting in lieu thereof the following: "and
2 with the cotton crop planted for harvest in 1942".

3 SEC. 4. That section 508 of said Act, as amended, is
4 further amended by striking out the words "producers of
5 wheat against loss in yields of wheat" in the first sentence,
6 and substituting in lieu thereof the words "producers of the
7 agricultural commodity against loss in yields of the agricul-
8 tural commodity".

9 SEC. 5. That section 508 of said Act, as amended, is
10 further amended by substituting the words "the agricultural
11 commodity" for the word "wheat" in the third sentence of
12 subsection (a).

13 SEC. 6. That sections 508 (b), (c), and (d) and 516
14 (a) of said Act, as amended, are further amended by sub-
15 stituting the words "the agricultural commodity" for the
16 word "wheat" wherever it appears.

17 SEC. 7. That section 508 of said Act, as amended, is
18 further amended by adding at the end thereof the following
19 new subsection:

20 "(e) In connection with insurance upon yields of cot-
21 ton, to include provision for additional premium and indem-
22 nity in terms of lint cotton to cover loss of cottonseed, such
23 additional premium and indemnity to be determined on the
24 basis of the average relationship between returns from cotton-
25 seed and returns from lint cotton for the same period of
26 years as that used for computing yields and premium rates."

1 SEC. 8. That section 516 (a) of said Act, as amended,
2 is amended by striking out the figures “\$6,000,000” and
3 substituting in lieu thereof the figures “\$12,000,000”.

4 SEC. 9. That said Act, as amended, is further amended
5 by redesignating section 518 as section 519, and by addi-
6 tion thereto of the following new section:

7 “SEC. 518. ‘Agricultural commodity’, as used in this
8 Act, means wheat or cotton, or both, as the context may
9 indicate.”

10 SEC. 10. That section 508 (d) of the Federal Crop
11 Insurance Act, as amended, is amended by inserting the
12 following sentences immediately after the first sentence
13 thereof: “Nothing in this section shall prevent the Corpora-
14 tion from accepting, for the payment of premiums, notes
15 payable in the commodity insured, or the cash equivalent,
16 upon such security as may be determined pursuant to sub-
17 section (b) of this section, and from purchasing the quantity
18 of the commodity represented by any of such notes not paid
19 at maturity.”

Passed the Senate May 15 (legislative day, May 8),
1941.

Attest:

EDWIN A. HALSEY,

Secretary.

AN ACT

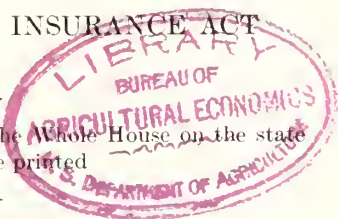
To amend the Federal Crop Insurance Act.

MAY 19, 1941

Referred to the Committee on Agriculture

AMENDING THE FEDERAL CROP INSURANCE ACT

MAY 27, 1941.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed



Mr. FULMER, from the Committee on Agriculture, submitted the following

REPORT

[To accompany S. 158]

The Committee on Agriculture, to whom was referred the bill (S. 158) to amend the Federal Crop Insurance Act, having considered the same, report thereon with a recommendation that it do pass with the following amendment:

Page 1, lines 7, 8, and 9, strike out all of section 2, and insert a new section, as follows:

SEC. 2. That section 506 (h) of said Act, as amended, is amended by striking out the words "for wheat and other agricultural commodities" and by inserting in lieu thereof a comma and the following words: "and preparatory to the application of the act to other basic commodities when so provided by law, shall assemble data relative to filed corn, for the purpose of establishing a satisfactory actuarial basis for such commodity."

STATEMENT

The only amendments made by this bill to the Federal Crop Insurance act, as amended, are those necessary in order that the provisions of the act may be applied, in addition to wheat, to—

the cotton crop planted for harvest in 1942—

and to provide that—

Nothing * * * shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity.

It is also provided that actuarial data shall be assembled relative to field corn.

Sections 502 and 508 of the act are amended by substituting the words "agricultural commodity" for the word "wheat," and a new section 518 defines "agricultural commodity" as "wheat or cotton, or

both, as the context may indicate." Section 506 (h) of the act is amended by striking out the words "for wheat and other agricultural commodities", since these words are unnecessary and would be confusing and restrictive in view of the meaning of the words "agricultural commodity" given in section 518.

Section 508 is further amended by providing for the acceptance of commodity notes in the payment of premiums and enabling the Corporation to carry these notes as a part of the insurance reserve in lieu of the commodity. These commodity notes are to be payable on or before a maturity date fixed to coincide with the harvest period for the area where the insured crop is grown and may be paid either in the commodity or the cash equivalent determined on the basis of the current market price for the commodity. The credit made available by the commodity notes will be secured by the makers' authorization permitting appropriate deductions from agricultural conservation payments, parity payments, commodity loans, and indemnity payments if the maker of the note fails to pay the principal at the time of maturity.

The credit proposal embodied in the commodity-note plan will replace the present method of extending credit to farmers for the payment of crop-insurance premiums. Credit is now made available to farmers for this purpose by the Secretary of Agriculture approving requests from producers for advances from contemplated agricultural conservation payments and parity payments and after approval, he transfers the amount thereof to the Federal Crop Insurance Corporation. The Corporation uses the money transferred to it in the same manner as premiums paid in cash, namely, for the purchase of wheat to include in its insurance reserve. To date one of the major items of expense in the wheat crop-insurance program has been the storage, conditioning, and care of wheat purchased by the Corporation for its insurance reserve. If the commodity-note plan is put into operation there will be no need for the Secretary of Agriculture to make advances for crop-insurance premium payments. Since the commodity notes will represent obligations to deliver the same quantity of the commodity which otherwise would be a physical part of the insurance reserve the Corporation will not be required to buy wheat in an amount equal to the quantity represented by the notes. On the basis of the current operation of the wheat crop-insurance program, it is estimated by the Corporation that the adoption of the commodity-note plan will result in an annual saving of approximately \$1,000,000, and will provide the Government with safeguards against speculation or loss equal to those established in existing legislation. Thus in the wheat program, the new credit plan will provide the Government with equal or better security and yet result in an annual reduction of approximately \$1,000,000 in its administration. The same benefits which will accrue from the use of the commodity-note plan in the wheat crop-insurance program should also apply with respect to crop insurance for cotton.

A new subsection (e) is added to section 508 in order to provide protection against loss in yields of cottonseed. Indemnification for loss of lint cotton yields alone would provide only about five-sixths of full protection against crop losses because of the additional loss of cottonseed. The additional premium and indemnity to cover losses

in cottonseed are to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates for lint cotton.

Section 516 (a) of the act is amended by increasing from \$6,000,000 to \$12,000,000 the amount authorized to be appropriated for annual operating and administrative expenses of the Federal Crop Insurance Corporation. It is estimated that such costs in connection with a cotton crop insurance program will be approximately the same as those incurred in connection with the wheat crop insurance program, and, hence, \$12,000,000 should be sufficient for both wheat and cotton.

The present program which heretofore has been limited to wheat has been favorably received by wheat growers. That fact is evidenced by the ever-increasing number of such growers who are now participating in the program. That number, 165,775 in 1939, was increased to 379,420 in 1940, and to 420,891 in 1941. Hence, what was authorized by law as an experiment 3 years ago, and then limited to wheat, is now generally accepted as involving a constructive and much worthwhile program. At first, it was agreed that such a plan presented a fine theory of how the Government could aid wheat farmers through this type of protection, insuring them against unavoidable hazards like drought, winter-kill, grasshoppers, wind, fire, flood, hail, etc., but, it was asked, Would the plan work and would the farmers avail themselves of the opportunity thus afforded to insure their crops? Would that be true when the farmers would be asked to pay for the insurance, either with wheat or with its cash equivalent? The answer to such questions has been definitely supplied by the results to date, which demonstrate that the wheat growers quickly learned its value and have in ever-increasing numbers insured their crops.

As seen from House Document No. 277, Seventy-sixth Congress, first session, which contains the results of a study on crop insurance for cotton made by the Department of Agriculture, there is essentially the same need for the protection of cotton growers against loss in yield due to unavoidable causes as there is for the protection of wheat growers against such loss in yield. Both crops are subject to many of the same hazards. Risks average as high in cotton as in wheat. As in wheat, there is a loss somewhere in the cotton-growing area every year. While cotton-crop insurance would not afford a solution of all of the problems which confront the more than 2,000,000 cotton farmers, it would furnish security and distribute the risk over a period of years. The experience gained in administering the wheat crop insurance program should aid materially in planning a similar one for cotton. As the loss of income on the part of the growers of one crop, occasioned by crop losses, seriously affects the growers of other crops, so the loss of such income on the part of all groups affects the welfare of the Nation. Hence, it would seem advisable to extend crop insurance to cotton at this time.

APRIL 25, 1941.

HON. H. P. FULMER,
*Chairman, Committee on Agriculture,
House of Representatives.*

DEAR MR. FULMER: This is in reply to your letter of February 27, 1941, in which you requested a report on H. R. 1058, a bill to amend the Federal Crop Insurance Act, as amended,

This bill would authorize the Federal Crop Insurance Corporation to insure cotton and field-corn crops commencing with the crops to be planted for harvest in 1942 in essentially the same manner as it now insures wheat crops.

In accordance with the provisions of section 506 (h) of the Federal Crop Insurance Act, the Department has been conducting research with respect to cotton and field corn for a period of several years with a view of developing bases for the insuring of those crops following a plan similar to that now in effect with respect to wheat. The data necessary to include cotton in the crop-insurance program have been assembled, and it is believed, therefore, that the Department is now in position to insure the 1942 cotton crop, if authorized by law. With respect to corn, however, considerable work remains to be done before it would be feasible to include corn in the insurance program. The Department believes, therefore, that legislation to include corn is not advisable at this time and it is recommended that the bill be amended accordingly.

It is noted that H. R. 1058 authorizes an increase of from \$6,000,000 to \$15,000,000 annually in the appropriation to cover operating and administrative costs of the Corporation if cotton and corn were added. If additional legislation at this time is limited to cotton, as above recommended, it is believed that the proposed over-all authorization should be reduced from \$15,000,000 to \$12,000,000. For the first year of operation it is expected that administrative and operating costs for cotton insurance may not exceed \$4,000,000 or \$4,500,000. Assuming the total figure, including the present \$6,000,000 authorization, were set at \$12,000,000 in the enabling amendment, the amount actually to be appropriated could be determined by means of the annual budgetary consideration of the needs of the program, and with the \$12,000,000 limitation some leeway would be provided to meet the needs of the situation which in the final analysis will hinge very largely upon the extent of participation, a factor which cannot be determined in advance.

Crop insurance, while not offering a solution to all of the problems of more than 2,000,000 cotton farmers, should provide an effective means by which the financial difficulties brought about by unavoidable production hazards may be overcome. In view of the many hazards that affect the production of cotton and the large number of farmers who must face these hazards, it is believed that a program of cotton crop insurance will meet a real need.

It is very necessary, and the Department so recommends, that any legislation which may be enacted at this time on crop insurance include the amendment relating to payment of premiums by commodity notes, or the cash equivalent, etc., submitted to the President of the Senate and the Speaker of the House in my letters of April 15, 1941.

Under date of April 24 the Budget Bureau advises that H. R. 1058 would not be in accord with the program of the President but that this legislation would not be in conflict therewith if amended to eliminate the proposed insurance of corn and to include the provision to permit payment of premiums in notes payable in the commodity insured, or the cash equivalent, etc., as submitted in the Department's letter of April 15, above referred to.

Sincerely,

CLAUDE R. WICKARD, *Secretary.*

THE WHITE HOUSE,
Washington, April 5, 1941.

HON. H. P. FULMER,
House of Representatives, Washington, D. C.

MY DEAR MR. FULMER: In view of the interest which you demonstrated in S. 2635 (76th Cong., 3d sess.), a bill which would have extended to cotton the system of Federal crop insurance now applied to wheat, and your disappointment that I found it necessary to return this bill to Congress without my approval, I am now enclosing a copy of a letter which I have today sent to the Secretary of Agriculture outlining my present views on the subject.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

APRIL 5, 1941.

The honorable, the SECRETARY OF AGRICULTURE.

MY DEAR MR. SECRETARY: On May 4, 1940, I returned to Congress without my approval S. 2635 (76th Cong., 3d sess.), a bill which would have extended to cotton the system of Federal crop insurance now applied to wheat. My action was based on (a) the substantial losses incurred by Federal insurance of wheat, (b) the lack of a sound actuarial basis for a self-supporting crop insurance, and (c) the belief that when such basis was established, the producers of all major crops should share in its benefits.

I am now informed that the losses incurred by the Federal Crop Insurance Corporation have been considerably less than previously estimated and that your Department feels the actuarial basis of the Corporation has proved to be sound, provided administrative expenses continued to be paid by the Government.

While I have felt that any crop-insurance plan should be self-supporting with premiums sufficient to pay administrative costs as well as indemnities, I recognize that where the Government has entered insurance fields to meet needs which commercial insurance organizations have been reluctant to provide, it has heretofore seemed proper to share or provide the necessary administrative expenses. The Department has successfully reduced the ratio of administrative expenses and has recently submitted legislation to Congress which would permit premiums to be paid in notes of the commodity, which, if enacted, will result in further substantial savings by largely eliminating storage costs.

In view of the proven benefits of crop insurance and the reduction in administrative expenses accomplished and in prospect, it now seems to me that, as reliable actuarial bases are developed, consideration might be given to the extension of Federal insurance to other crops.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in the Agricultural Adjustment Act of 1938, as amended, made by the bill (as reported by this committee) are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE V—CROP INSURANCE

(Public, No. 430, 75th Cong.)

SEC. 502. It is the purpose of this title to promote the national welfare by alleviating the economic distress caused by [wheat-crop] crop failures due to drought and other causes, by maintaining the purchasing power of farmers, and by providing for stable supplies of [wheat] *agricultural commodities* for domestic consumption and the orderly flow thereof in interstate commerce.

* * * * *

SEC. 506. The Corporation—

- (a) shall have succession in its corporate name;
- (b) may adopt, alter, and use a corporate seal, which shall be judicially noticed;
- (c) may make contracts and purchase or lease and hold such real and personal property as it deems necessary or convenient in the transaction of its business, and may dispose of such property held by it upon such terms as it deems appropriate;
- (d) subject to the provisions of section 508 (c), may sue and be sued in its corporate name in any court of competent jurisdiction, State, or Federal: *Provided:* That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property;
- (e) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers granted to it by law may be exercised and enjoyed;

(f) shall be entitled to the free use of the United States mails in the same manner as the other executive agencies of the Government;

(g) with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officials, and employees thereof in carrying out the provisions of this title;

(h) may conduct researches, surveys, and investigations relating to crop insurance [for wheat and other agricultural commodities], and preparatory to the application of the act to other basis commodities when so provided by law, shall assemble data relative to field corn, for the purpose of establishing a satisfactory actuarial basis for such commodity;

(i) shall determine the character and necessity for its expenditures under this title and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other laws governing the expenditure of public funds and such determinations shall be final and conclusive upon all other officers of the Government; and

(j) shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation and all such incidental powers as are customary in corporations generally.

* * * * *

Sec. 508. To carry out the purposes of this title the Corporation is authorized and empowered—

(a) Commencing with the wheat crop planted for harvest in 1939 [.] and with the cotton crop planted for harvest in 1942 to insure, upon such terms and conditions not inconsistent with the provisions of this title as it may determine, [producers of wheat against loss in yields of wheat] producers of the agricultural commodity against loss in yields of the agriculture commodity due to unavoidable causes, including drought, flood, hail, wind, winterkill, lightning, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board: *Provided, however,* That for the first three years of operation under this title contracts of insurance shall not be made for periods longer than one year: *Provided further,* That the Corporation may, upon such terms and conditions as it shall determine, accept payments from producers in any year to be applied toward premiums on their insurance contracts for the current and next succeeding year. Such insurance shall not cover losses due to the neglect or malfeasance of the producer or to the failure of the producer to reseed in areas and under circumstances where it is customary to reseed. Such insurance shall cover not less than 50 or more than 75 per centum, to be determined by the Board, of the recorded or appraised average yield of [wheat] the agricultural commodity on the insured farm for a representative base period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just. The Board may condition the issuance of such insurance in any county or area upon a minimum amount of participation in a program of crop insurance formulated pursuant to this title.

(b) To fix adequate premiums for such insurance, payable either in [wheat] the agricultural commodity or cash equivalent as of the due date thereof, on the basis of the recorded or appraised average crop loss of [wheat] the agricultural commodity on the insured farm for a representative base period subject to such adjustments as the Board may prescribe to the end that the premiums fixed for farms in the same area, which are subject to the same conditions, may be fair and just. Such premiums shall be collected at such time or times, in such manner, and upon such security as the Board may determine.

(c) To adjust and pay claims for losses either in [wheat] the agricultural commodity or in cash equivalent under rules prescribed by the Board. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation an action on such claim may be brought against the Corporation in the district court of the United States in and for the district in which the insured farm is located, and exclusive jurisdiction is hereby conferred upon such courts to determine such controversies without regard to the amount in controversy: *Provided,* That no suit on such claim shall be allowed under this section unless the same shall have been brought within one year after the date when notice of denial of the claim is mailed to the claimant.

(d) From time to time, in such manner and through such agencies as the Board may determine, to purchase, handle, store, insure, provide storage facilities for, and sell [wheat] the agricultural commodity, and pay any expenses incidental

thereto, it being the intent of this provision, however, that, insofar as practicable the Corporation shall purchase **["wheat"] the agricultural commodity** only at the rate and to a total amount equal to the payment of premiums in cash by farmers or to replace promptly **["wheat"] the agricultural commodity** sold to prevent deterioration; and shall sell **["wheat"] the agricultural commodity** only to the extent necessary to cover payments of indemnities and to prevent deterioration: *Provided, however,* That nothing in this section shall prevent prompt offset purchases and sales of **["wheat"] the agricultural commodity** for convenience in handling. *Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity.* The restriction on the purchase and sale of **["wheat"] the agricultural commodity** provided in this section shall be made a part of any crop-insurance agreement made under this title. Notwithstanding any provision of this title, there shall be no limitation upon the legal or equitable remedies available to the insured to enforce against the Corporation the foregoing restriction with respect to purchases and sales of **["wheat"] the agricultural commodity**.

(c) *In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates.*

* * * * *

SEC. 516. (a) There are hereby authorized to be appropriated such sums, not in excess of **["\$6,000,000"] \$12,000,000** for each fiscal year beginning after June 30, 1938, as may be necessary to cover the operating and administrative costs of the Corporation, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine: *Provided,* That expenses in connection with the purchase, transportation, handling, or sale of **["wheat"] the agricultural commodity** may be considered by the Corporation as being nonadministrative or nonoperating expenses. For the fiscal year ending June 30, 1939, the appropriation authorized under this subsection is authorized to be made only out of the unexpended balances for the fiscal year ending June 30, 1938, of the sums appropriated pursuant to section 15 of the Soil Conservation and Domestic Allotment Act, as amended.

(b) The Secretary and the Corporation, respectively, are authorized to issue such regulations as may be necessary to carry out the provisions of this title.

* * * * *

SEC. 518. "*Agricultural commodity,*" as used in this Act, means wheat or cotton, or both, as the context may indicate.

* * * * *

[SEC. 518.] SEC. 519. The right to alter, amend, or repeal this title is hereby reserved.

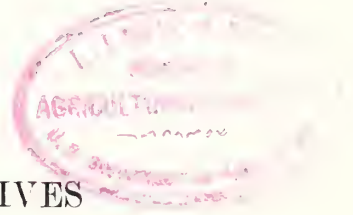


Union Calendar No. 224

77TH CONGRESS
1ST SESSION

S. 158

[Report No. 639]



IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1941

Referred to the Committee on Agriculture

MAY 27, 1941

Reported with an amendment, committed to the Committee of the Whole House
on the state of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

AN ACT

To amend the Federal Crop Insurance Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 502 of the Federal Crop Insurance Act, as
4 amended, is hereby amended by substituting the word "crop"
5 for the word "wheat-crop" and by substituting the words
6 "agricultural commodities" for the word "wheat".

7 ~~SEC. 2. That section 506 (h) of said Act, as amended,~~
8 ~~is amended by striking out the words "for wheat and other~~
9 ~~agricultural commodities".~~

10 *SEC. 2. That section 506 (h) of said Act, as amended,*
11 *is amended by striking out the words "for wheat and other*

1 *agricultural commodities” and by inserting in lieu thereof a*
2 *comma and the following words: “and preparatory to the*
3 *application of the Act to other basic commodities when so*
4 *provided by law, shall assemble data relative to field corn,*
5 *for the purpose of establishing a satisfactory actuarial basis*
6 *for such commodity”.*

7 SEC. 3. That section 508 of said Act, as amended, is
8 amended by striking out the first comma in subsection (a)
9 thereof and inserting in lieu thereof the following: “and
10 with the cotton crop planted for harvest in 1942”.

11 SEC. 4. That section 508 of said Act, as amended, is
12 further amended by striking out the words “producers of
13 wheat against loss in yields of wheat” in the first sentence,
14 and substituting in lieu thereof the words “producers of the
15 agricultural commodity against loss in yields of the agricul-
16 tural commodity”.

17 SEC. 5. That section 508 of said Act, as amended, is
18 further amended by substituting the words “the agricultural
19 commodity” for the word “wheat” in the third sentence of
20 subsection (a).

21 SEC. 6. That sections 508 (b), (c), and (d) and 516
22 (a) of said Act, as amended, are further amended by sub-
23 stituting the words “the agricultural commodity” for the
24 word “wheat” wherever it appears.

25 SEC. 7. That section 508 of said Act, as amended, is

1 further amended by adding at the end thereof the following
2 new subsection:

3 “(e) In connection with insurance upon yields of cot-
4 ton, to include provision for additional premium and indem-
5 nity in terms of lint cotton to cover loss of cottonseed, such
6 additional premium and indemnity to be determined on the
7 basis of the average relationship between returns from cotton-
8 seed and returns from lint cotton for the same period of
9 years as that used for computing yields and premium rates.”

10 SEC. 8. That section 516 (a) of said Act, as amended,
11 is amended by striking out the figures “\$6,000,000” and
12 substituting in lieu thereof the figures “\$12,000,000”.

13 SEC. 9. That said Act, as amended, is further amended
14 by redesignating section 518 as section 519, and by addi-
15 tion thereto of the following new section:

16 “SEC. 518. ‘Agricultural commodity’, as used in this
17 Act, means wheat or cotton, or both, as the context may
18 indicate.”

19 SEC. 10. That section 508 (d) of the Federal Crop
20 Insurance Act, as amended, is amended by inserting the
21 following sentences immediately after the first sentence
22 thereof: “Nothing in this section shall prevent the Corpora-
23 tion from accepting, for the payment of premiums, notes
24 payable in the commodity insured, or the cash equivalent,
25 upon such security as may be determined pursuant to sub-

- 1 section (b) of this section, and from purchasing the quantity
- 2 of the commodity represented by any of such notes not paid
- 3 at maturity."

Passed the Senate May 15 (legislative day, May 8),
1941.

Attest:

EDWIN A. HALSEY,

Secretary.

77TH CONGRESS
1ST Session

S. 158

[Report No. 639]

Union Calendar No. 224

AN ACT

To amend the Federal Crop Insurance Act.

MAY 19, 1941

Referred to the Committee on Agriculture

MAY 27, 1941

Reported with an amendment, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed

Roosevelt Memorial Association, and certain other organizations.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MARTIN J. KENNEDY]?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—FIRST REPORT UNDER THE ACT OF MARCH 11, 1941 (LEND LEASE ACT) (S. DOC. NO. 66)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

Section 5 (b) of Public Law No. 11, Seventy-seventh Congress, approved by me on March 11, 1941, provides in part as follows:

The President from time to time, but not less frequently than once every 90 days, shall transmit to the Congress a report of operations under this act except such information as he deems incompatible with the public interest to disclose.

In compliance with this provision, I am submitting this report.

We have supplied, and we will supply, planes, guns, ammunition, and other defense articles in ever-increasing quantities to Britain, China, and other democracies resisting aggression.

Wars are not won by guns alone, but wars are not won without guns. We all know this full well now. Beginning with the outbreak of the war, the American public began to realize that it was in our own national interest and security to help Britain, China, and the other democratic nations.

Beginning with the outbreak of the war, British and French orders began to be placed. But dollars could not be immediately turned into airplanes and ships and guns and ammunition.

In those dark days when France was falling, it was clear that this Government, to carry out the will of the people, had to render aid over and above the matériel coming off the assembly line. This Government therefore made available all that it possibly could out of its surplus stocks of munitions. In June of 1940, the British Government received from our surplus stocks rifles, machine guns, field artillery, ammunition, and aircraft in a value of more than \$43,000,000. This was equipment that would have taken months and months to produce and which, with the exception of the aircraft, cost about \$300,000,000 to produce during the World War period. Most of this matériel would not have been usable if we had kept it much longer. This equipment arrived in Britain after the retreat from Dunkirk, where the British had lost great quantities of guns and other military supplies. No one can appraise what effect the delivery of these supplies had upon the successful British resistance in the summer and fall of 1940 when they were fighting against such terrific odds.

Since June 1940, this Government has continued to supply war matériel from its surplus stocks in addition to the matériel produced by private manufacturers. The

50 over-age destroyers which Britain received in exchange for the defense bases were a part of the aid supplied by the Government.

By the turn of the year 1941, the British commitments in this country for defense articles had reached the limit of their future dollar resources. Their striking power required the assurance that their munitions and equipment would steadily and certainly be augmented, not curtailed.

The will of our people, as expressed through the Congress, was to meet this problem, not only by the passage of the Lend Lease Act but by the appropriation of \$7,000,000,000 made on March 27 of this year to carry out this task.

In the 90 days since the Lend Lease Act was passed, and in the 74 days since the funds were appropriated, we have started in motion the vast supply program which is essential to the defeat of the Axis Powers.

In these 74 days more than four and one-fourth billion dollars out of the seven billion dollars have been allocated to the War, Navy, Agriculture, and Treasury Departments and to the Maritime Commission to procure the aid authorized. Contracts have been let for long-range bombers, ships, tanks, and the other sinews of war that will be needed for the defense of the democracies. The balance of less than two and three-fourths billions is being rapidly allocated.

To be effective, the aid rendered by us must be many-sided. Ships are necessary to carry the munitions and the food. We are immediately making available to Britain 2,000,000 gross tons of cargo ships and oil tankers.

But this is not enough. Adequate shipping for every day to come must be reasonably assured. Since the appropriation act was passed, \$550,000,000 has been allocated for the construction of new ships under the Lend Lease Act. Contracts have been let, and the new ways required to build these ships are now nearing completion. Allied ships are being repaired by us. Allied ships are being equipped by us to protect them from mines, and are being armed by us to protect them as much as possible against raiders. Naval vessels of Britain are being repaired by us so that they can return quickly to their naval tasks.

The training program of 7,000 British pilots in our schools in this country is under way. Valuable information is being communicated, and other material assistance is being rendered in a mounting benefit to the democracies.

Millions of pounds of food are being and will be sent. Iron and steel, machine tools, and the other essentials to maintain and increase the production of war materials in Britain are being sent and received in larger quantities day by day.

Since September 1939 the war goods sent to Britain have risen steadily. The over-all total exports to the British Empire have greatly increased in 1941 over 1940. What is more important, the exports of those things which are necessary for fighting have increased far beyond our other exports. In the first 5 months of this year we have sent more than 12

times as many airplanes to Britain as we did in the first 5 months of 1940, and as the rate of aircraft production increases relatively more and more heavy bombers and medium bombers are being sent. At the same time we have sent more than 10 times as many aircraft engines in the first 5 months of 1941 as we did in the first 5 months of 1940. For the first 4 months of this year the dollar value of explosives sent to the British Empire was about 17 times as much as for the first 4 months of 1940. Ninety times as much in dollar value of firearms and ammunition was sent to Britain during the first 4 months of this year as for the first 4 months of 1940.

With our natural resources, our productive capacity, and the genius of our people for mass production, we will help Britain to outstrip the Axis Powers in munitions of war, and we will see to it that these munitions get to the places where they can be effectively used to weaken and defeat the aggressors.

In the report that follows facts and figures are given to the extent advisable without disclosing military secrets to benefit the Axis Powers. These facts describe the past and portray the present status of our aid to those nations so gallantly fighting the aggressors. They do not present the most important fact of all—the strong will of our people to see to it that these forces of aggression shall not rule the world.

We have before us a constant purpose, not of present safety alone but equally of future survival.

FRANKLIN D. ROOSEVELT.
THE WHITE HOUSE, June 10, 1941.

CONSIDERATION OF VINSON BILL

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I would like to ask the majority leader a question if I may. I observe in the newspapers that the so-called Vinson bill will be called up next Monday. I wonder if that is accurate or not?

Mr. McCORMACK. No. At the time the statement was made it was accurate. I make that statement so the newspapers will not think they made statements which were not justified.

The bill will not be called up before the 23d and probably on that day. That is the best information I can give. I have been informed by the gentleman from Virginia [Mr. SMITH] that he will probably call it up on that day.

Mr. MARTIN of Massachusetts. The Members can plan to have that bill before them on June 23?

Mr. McCORMACK. The best answer I can give to the gentleman from Massachusetts at the present time is what I have given. I will keep the House advised constantly so that they may have as much notice as possible as to when the bill will come up. I will inform them of anything more definite if the occasion arises. The best information I have now

is that it will probably be called up on the 23d.

Mr. MARTIN J. KENNEDY. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. MARTIN J. KENNEDY. It will not be called up before that time, will it?

Mr. McCORMACK. A "gentlemen's agreement" has been made. I believe I can speak for the three gentlemen involved. I know neither of them would violate a "gentlemen's agreement."

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

AMENDMENT TO FEDERAL CROP INSURANCE ACT

Mr. FULMER (when the Committee on Agriculture was called). Mr. Speaker, by direction of the Committee on Agriculture, I call up the bill S. 158, to amend the Federal Crop Insurance Act.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar. The House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 158, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. FULMER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, for years and years farmers have been losing millions and millions of dollars because of crop failures. Because of this, the Government has been losing millions and millions of dollars in having to make emergency loans, grants, relief, and W. P. A. employment payments to thousands of these farmers.

Let me give you a little history in connection with the crop-insurance program.

For quite some time many Members have been interested in having the Federal Government insure farm crops. I believe I introduced the first bill proposing insurance on cotton.

In 1938 the conferees on the agriculture bill agreed to include a provision setting up the Crop Insurance Corporation. At that time it was definitely understood between Senator Pope, of Idaho, and myself that wheat and cotton would be placed under the insurance program. However, cotton was left out at the time of the passage of this act only for the reason that the Secretary of Agriculture stated that he did not have sufficient information and data on cotton that would warrant the inclusion of cotton. The Secretary was authorized to secure complete and definite information on cotton and submit his findings to Congress. Under a resolution, No. 176, submitted by me, the information submitted by the Secretary was placed in House Document No. 277 in the Seventy-sixth Congress. Bills were then introduced in the Senate and in the House by Senator BANK-

HEAD and myself, proposing the placing of cotton under the insurance program. This legislation was passed by both Houses but was vetoed by the President.

During this session of Congress I introduced H. R. 4595, covering cotton and authorizing the Secretary to gather information on corn and submit same to the Congress, having in mind introducing legislation later on placing corn in the program. My bill was reported to the House. In the meanwhile the Senate passed the Bankhead bill, S. 158, and this bill was reported by the House Committee on Agriculture, and this is the bill that we are now considering. The bill has a favorable report from the Department and the Budget Director. At this point I want to read you a letter addressed to me by the President, dated April 5, 1941:

THE WHITE HOUSE,
Washington, April 5, 1941.

Hon. H. P. FULMER,
House of Representatives,
Washington, D. C.

MY DEAR MR. FULMER: In view of the interest which you demonstrated in S. 2635 (76th Cong., 3d sess.), a bill which would have extended to cotton the system of Federal crop insurance now applied to wheat, and your disappointment that I found it necessary to return this bill to Congress without my approval, I am now enclosing a copy of a letter which I have today sent to the Secretary of Agriculture outlining my present views on the subject.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

I am also including at this point the letter addressed to the Secretary of Agriculture, signed by the President, referred to in the letter written to me by the President:

The honorable the SECRETARY OF AGRICULTURE.

MY DEAR MR. SECRETARY: On May 4, 1940, I returned to Congress without my approval S. 2635 (76th Cong., 3d sess.), a bill which would have extended to cotton the system of Federal crop insurance now applied to wheat. My action was based on (a) the substantial losses incurred by Federal insurance of wheat, (b) the lack of a sound actuarial basis for a self-supporting crop insurance, and (c) the belief that when such basis was established, the producers of all major crops should share in its benefits.

I am now informed that the losses incurred by the Federal Crop Insurance Corporation have been considerably less than previously estimated and that your Department feels the actuarial basis of the Corporation has proved to be sound, provided administrative expenses continue to be paid by the Government.

While I have felt that any crop-insurance plan should be self-supporting with premiums sufficient to pay administrative costs as well as indemnities, I recognize that where the Government has entered insurance fields to meet needs which commercial insurance organizations have been reluctant to provide, it has heretofore seemed proper to share or provide the necessary administrative expenses. The Department has successfully reduced the ratio of administrative expenses and has recently submitted legislation to Congress which would permit premiums to be paid in notes of the commodity, which, if enacted, will result in further substantial savings by largely eliminating storage costs.

In view of the proven benefits of crop insurance and the reduction in administrative expenses accomplished and in prospect, it now seems to me that, as reliable actuarial bases are developed, consideration might be

given to the extension of Federal insurance to other crops.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Let me give you some information about the insurance operations for 1939 and 1940:

	Fiscal year	
	1939	1940
Administration: Total expenditures.....	\$4,484,772	\$5,585,134
	Crop year	
	1939	1940
Number of contracts.....	\$165,775	\$379,420
Premium collections, bushels.....	6,676,536	13,801,957
Indemnity claims:		
Number.....	55,929	112,645
Bushels.....	10,163,081	22,889,533
Excess of indemnities over premiums:		
Bushels.....	3,486,545	9,087,576
Cash equivalent.....	\$2,229,134	\$4,739,572

In 1941 the Crop Insurance Corporation wrote 420,906 contracts. The Corporation received 14,358,000 bushels of wheat for premium payments. You will note in the figures that the number of applications received in 1940 were over twice as many as in 1939, and in 1941 there was also a substantial increase in the number of applications over 1940. According to the figures and the prospective profits for this year because of the good wheat crop, you will note that the total losses for the 3 years of operation of the wheat insurance will amount to less than \$5,000,000. In the meantime, the Insurance Corporation collected around 35,000,000 bushels of wheat as insurance premiums from 966,101 farmers, giving same to about 175,000 farmers who had crop losses during these 3 years. If you will count this wheat at \$1 per bushel, you will find that the Insurance Corporation during the past 3 years has given to these 175,000 farmers who had crop losses \$35,000,000, and at a loss to the Government of less than \$5,000,000.

Naturally, if we had not been in the insurance business, we would have saved the actual losses of around \$5,000,000, but what would have become of thousands of these farmers who had crop failures? Why, many of them would have been forced into tenant farming. In the meantime the Government would have had considerably greater losses than the actual losses referred to under the insurance program. I mean losses from having to give to these farmers emergency loans, grants, relief, and W. P. A. employment payments. Naturally, in working out this insurance program—that is, a fair basis for premium rates—it cannot be done in 3 years; perhaps not in 5 years. It is apparent to me, and should be apparent to you, that this is a mutual affair between farmers. I am hoping, and I believe the time will come when all crop failures will be taken care of from the premiums secured from farmers, and you will find that it can be done at a very reasonable cost to farmers.

Crop insurance, while not offering a total solution for the farm problem of

more than 2,000,000 cotton farmers, should provide an effective means by which the financial difficulties brought about by unavoidable production hazards may be overcome. In view of the many hazards that affect the production of cotton and the large number of farmers who must face these hazards, it is believed that a program of cotton-crop insurance will meet a real need.

Let me give you some real, definite advantages and benefits to farmers under an insurance program: First, farmers are able to develop better farm management; second, insurance is a wonderful assistance in securing crop loans; third, in many instances, because of this type of security, farmers are able to secure lower rates of interest; fourth, indemnity payments have definitely prevented farm foreclosures; fifth, this insurance will eliminate emergency loans, grants, and relief benefits; sixth, will make possible construction, educational, and health programs; and seventh, the operation of the wheat-insurance program has enabled the Farm Credit Administration to sell farms to tenants on a more favorable payment basis when the tenant agrees to secure his payments by carrying crop insurance.

Section 7 of the bill proposes premium payments to be made in three ways: First, in wheat; second, in cash equivalent to the wheat; and third, notes secured by soil-conservation payments.

During the past 3 years, under the operation of the crop insurance, the insurance agency has been accepting payment of premiums in wheat. It is estimated by the Department that by being permitted to take notes the agency will be able to make a saving of from one to one and a half million dollars annually in cost of wheat storage.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Georgia.

Mr. COX. I take it that it is contemplated that the program will ultimately be self-sustaining?

Mr. FULMER. Absolutely.

Mr. COX. With the experience and background already had with reference to what has been done, the gentleman has the assurance that we will finally work to that end?

Mr. FULMER. May I state in answer to the gentleman's question that it is definitely understood that eventually it will be a self-sustaining proposition. Based on the experience of numerous private companies, the corporation up to this date has made a wonderful showing over and above the showing of those private companies. If in 5 years or 7 years we can work this out and gradually take in the various crops one after the other, in an orderly way, so as to have this program become self-sustaining and save millions annually for that class of people that follow the most hazardous business in the world, I believe it will be an excellent undertaking.

Mr. COX. The statement of the gentleman, especially worthy of note, as I see it, is that the taking of notes instead of the delivery of wheat is expected to reduce the cost of administration to an extent considerably above \$1,000,000.

Mr. FULMER. At least one million, and perhaps one and one-half million.

Mr. Chairman, may I state that this is not a partisan or a political matter. To me it is a common-sense, sound business proposition. Three years operation of the insurance program on wheat has proven the soundness of the program. No doubt some few Members will refer to the few million losses in 1939 and 1940. Let me state that the benefits received by farmers, including these few millions of losses at the expense of the Government, really meant the saving of many more millions to the Government in replacing emergency loans, grants, W. P. A. employment, and relief.

Crop insurance, where farmers have crop losses, will enable farmers to pay their obligations, interest on their mortgages, and taxes. It will enable thousands of farmers to continue to be landowners, thereby saving the Government millions of dollars that would have to be spent in trying to make landowners out of tenant farmers, many of whom have lost their lands because of crop failures.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Mississippi.

Mr. COLMER. I would like to inquire of the distinguished chairman of the Committee on Agriculture whether this bill is substantially the same bill that the House passed overwhelmingly last year.

Mr. FULMER. It is identically the same bill, proposing to include cotton at this time; and may I state that it is the purpose of the Committee on Agriculture from time to time, when we have definite information, to put in other crops in an orderly manner, one after the other, so we will not break down the program and in order that the program may be successful, without cost to the Government, and at the same time mean millions of dollars to the farmers.

Let me give you a concrete example as to just how crop insurance may prove to be a life saver to a farmer. Here we have two farmers, each of whom produces normally 10 bales of cotton. We would say that this cotton and cottonseed is worth \$600. One of these farmers is insured for three-fourths of the value of his normal crop, or in the amount of \$400. Both of these farmers have a total crop failure. You can readily see that the farmer with the \$400 insurance would be able to pay practically all of his obligations, taxes, and interest on his land mortgage. It should also be very apparent to you that the only way out for the other farmer would be to call on the Government for an emergency loan, the securing of a grant, W. P. A. employment, and perhaps a certain amount of relief. In the meantime, the farmer with the insurance will enter into the next year's farming program with his obligations paid, or practically so, while the farmer without the insurance will wind up at the end of the next year with 2 years' obligations, all of which will mean that eventually this farmer will pass on into the tenant class.

In that private insurance companies, who operate purely for profit, have not been able to be helpful in solving this serious problem, naturally out of our ex-

perience during the past 3 years it should appear to every Member of Congress that the Government has entered into one of the most worth while, businesslike, helpful activities of any activity that it has ever engaged in. Ask yourself this question: Just how long would other groups, business and industry, last without proper protection, insurance, and so forth? Farmers are subject to more hazards in the producing of their crops than any other line of business in this country, and yet they have been operating all of these years without any insurance or protection whatsoever.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

WHEAT AND COTTON INSURANCE

Mr. MURRAY. Mr. Chairman, the broad question involved in the consideration of this legislation is how far you wish to put the Government into the insurance business and thereby set the Government up in the insurance business in opposition to private insurance agents and agencies.

If the Government is going to insure wheat and cotton, why not the other farm crops of the country, as these two crops represent a small percentage of the national farm income? Otherwise the procedure is a continuation of the New Deal to legislate for the few at the expense of the many. If the Federal Government is to insure all the crops, why should they not insure the barn to hold the crops? If the barn is insured, why not insure the house? If the buildings are to be insured, why not insure a family, which is dearer than all the crops and buildings?

The second question involved is whether we should at this time increase Federal expenditures for nondefense items.

The Ways and Means Committee is searching eagerly to find every possible avenue to raise revenues. The "widow's mite" is in jeopardy. The public debt, now headed for \$90,000,000,000, is twice the combined value of all the farms and farm buildings in the United States, which in 1940 had a value of only \$33,000,000,000. Daily my constituents write and ask me to work to reduce the non-defense expenditures of this Government. Undoubtedly yours are doing likewise, or, if not, they most assuredly will be doing so.

The third question involved in the consideration of this legislation is whether it is a good governmental policy to pass additional legislation that has a tendency to increase the production of wheat and cotton. These two crops are soil-depleting crops and crops that now have most embarrassing surpluses.

Do you realize all the legislation that has been passed for the benefit of a few crops?

Do you realize that the cotton crop alone in 1 year, already has \$125,000,000 in soil-conservation payments, \$96,000,000 parity, \$12,000,000 to \$15,000,000 storage, \$40,000,000 export bounty, and, in addition, numerous other so-called subsidies? In fact, the fiber crop was worth only \$595,000,000 last year, so the

so-called subsidy is now annually over half the value of the crop.

Do you realize that wheat has huge parity payments? Do you think a wheat producer should get 15 to 17 cents per bushel premium for growing, or not growing, wheat when we already have a surplus of wheat? Or why should this wheat producer get 17 cents per bushel bounty when the barley and other grain growers do not have a bounty on their product?

The flax grower does not have a bounty, when we are on an import basis as far as flax is concerned.

The following table shows the United States wheat production from 1920 to 1940:

Wheat production—United States	
	Bushels
1920.....	843,277,000
1921.....	818,964,000
1922.....	846,469,000
1923.....	759,482,000
1924.....	841,617,000
1925.....	668,700,000
1926.....	832,213,000
1927.....	875,059,000
1928.....	914,373,000
1929.....	823,217,000
1930.....	886,470,000
1931.....	941,674,000
1932.....	756,927,000
1933.....	551,683,000
1934.....	526,393,000
1935.....	626,344,000
1936.....	626,768,000
1937.....	875,676,000
1938.....	931,702,000
1939.....	751,435,000
1940.....	816,698,000

Note that the average production is over 100,000,000 bushels more the last 4 years than it was the 4 years before. Where is the crop control?

The following table shows the exports of wheat:

Wheat: United States exports, by 5-year averages, 1900-1938, and for calendar years, 1939 and 1940

Period ¹	Quantity	Value
	Bushels	
5-year average:		
1900 to 1904.....	109,466,000	\$81,306,000
1905 to 1909.....	56,646,000	52,142,000
1910 to 1914.....	56,913,000	55,093,000
1915 to 1918 ¹	173,481,000	276,970,000
1919 to 1923.....	181,931,000	341,951,000
1924 to 1928.....	131,140,000	189,392,000
1929 to 1933.....	64,219,000	57,363,000
1934 to 1938.....	28,182,000	25,833,000
Annual:		
1939.....	63,214,000	36,815,000
1940 (11 months).....	14,078,000	10,972,000

¹ Fiscal years 1900 to 1918, inclusive; 1915-18 is a 4-year average; calendar years 1939-40.

Source: Official statistics of the U. S. Department of Commerce.

Note from the above table we have gradually lost our export wheat market. Also remember, for the last couple of years we have had to pay an export bounty of 25 to 27 cents a bushel to get rid of it.

Did you know that 1 congressional district received more money from A. A. A. in 1 year than 32 different States received?

Did you know that three congressional districts received over \$43,000,000 or more money than all but two of the States in 1939?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. AUGUST H. ANDRESEN. Were any of those districts in the State of Wisconsin?

Mr. MURRAY. I will say to my distinguished colleague that they were not, but I do not want to get into any argument with any congressional district or any State and therefore I do not use either the number of the district or the State.

Did you know that five congressional districts got 23 percent of the money in 1939?

Did you know that of the four States with a total value of over \$2,000,000,000 in 1935, the first State received \$87,000,000 in 1 year, 1939; the second State over \$59,000,000; the third State over \$41,000,000; and the fourth only \$13,000,000? Since 1933 to 1941, one of these States received \$451,000,000; one, \$288,000,000; one, \$180,000,000; and the last, \$62,000,000.

Did you know the fourth mentioned State was one that did not happen to grow the right crops to get the large payments?

Do you know any reason to continually have legislation for two or three crops that represent only a small part of the national farm income? Or should we have a constructive program for all the farmers of the country?

THE OTHER SIDE OF THE PICTURE

The other side of this picture is: First, if Federal crop insurance is developed, the proponents say that there would not be the demand for emergency legislation, for droughts, floods, grants, and the other projects so that in fact the United States Treasury is really being insured instead of the crops.

Second, the production of crops can be much more readily financed by the insurance program. This is evident. The farmer gets his policy; he can go to the bank and borrow for his operations as the banker knows just how many bushels of wheat the farmer will have and soon he will no doubt know about how much the farmer will receive a bushel for it, so he can, with complete safety, make the loan.

Third. The Republican platform includes crop insurance. I have not read the Democratic platform since 1932, but I hear the insurance provisions are in that too. Unless one repudiated that part of his party's platform during the campaign, he is honor bound to support the platform according to my way of thinking. Unless of course, if one does think he is bigger than his party, it is usually an erroneous opinion.

Fourth. Many students of this problem believe that this program can be self-sustaining, and that a general benefit will be obtained. This depends wholly on the administration, of course. I personally feel I should vote to go along with the legislation for the above reasons, but I do so with deep misgivings as to how the New Deal will conduct it.

In conclusion I wish to say that the wheat-insurance program has been carried on with a much greater overhead

than would obtain if more crops were included and if this Federal insurance is to continue all farm crops should be included so we could discontinue legislation for the few at the expense of the many.

Do you not really think that anyone that can raise from five to nine thousand acres of wheat a year should be able to attend to his own insurance?

Do you think the public should be asked to carry on this kind of an insurance program?

The present farm program needs plenty of fixing and here is an opportunity to begin if you wish to legislate for the greatest good for the greatest number instead of continuing for the few at the expense of the many. We should include all crops.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. AUGUST H. ANDRESEN. As far as the rank and file of the farmers throughout the country are concerned, the gentleman's last proposal, in my opinion, is very sound. In diversified farming areas, which represent most of agriculture in this country, they should be entitled to insure their crops just the same as a few of the basic farm commodities are insured, and I am therefore glad the gentleman has mentioned that proposition.

Mr. MURRAY. I thank the gentleman for his contribution. I am sure that anyone who has spent any time studying agricultural legislation will agree that all crops should be considered. I do not mean in the last few years, but for the last 20 years we have been legislating for the few.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 3 minutes.

Mr. MURRAY. Mr. Chairman, I cannot but come to the conclusion that we must include all types of farmers, regardless of the type of the farming that he is engaged in. We cannot continue to do it simply because he happens to raise this or that crop. I think we must insure the whole farm crop.

Mr. AUGUST H. ANDRESEN. If we are going to have an insurance program for agriculture which is to be sound and permanent, such a program must be self-sustaining and established on a business basis. At the present time wheat was used as an experiment. We tried wheat out for 2 years. It is impossible to establish tables of experience over a 2-year period. I opposed this cotton program insurance bill last year, as the gentleman knows. The President vetoed the bill. Now he recommends that we insure cotton. I am not sure but what we are making a mistake in taking in other commodities than wheat before we complete the experiment with wheat to see whether it will work out on a sound basis and give us a permanent and a sound insurance program.

Mr. MURRAY. If the gentleman were to make an investigation of the wheat policies, he would find that in many cases only about two men are insured in a county. One can readily see that entails a much greater overhead than if we had the whole farm being in-

sured. It just convinces me that much more that we should either quit going into the insurance business any further or should include all crops on the farm, because the overhead could be cut down then, and in fairness to the wheat program I think it should be brought out that the first year these policies cost the taxpayers \$29 apiece, and that was given to the man that got out the insurance, and that has been reduced this year to \$10 per policy. This is just another thing that confirms me in the conclusion that we should include all farm crops or get out of the insurance business altogether.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. Yes.

Mr. PACE. Of course, the gentleman, I am sure, agrees that we should not include a crop until we do have the necessary statistical information to make it self-sustaining, as near as we can.

Mr. MURRAY. And I say to my distinguished friend that this New Deal can be so lacking in knowledge when they want to be lacking, and can give so many answers when they want to give them.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. MURRAY. And I will answer the question in this way. All these stories that they have to have, history behind it all, are not to me as laudable, because I think it is not very difficult to get a case history of a whole farm practically as quickly as you can get it of one crop. Therefore, I say, instead of going into this the way we are now—and next year we will have corn—we should, I think, take in the whole farm crop.

Mr. PACE. But the gentleman would not advocate an all-comprehensive, all-crop program?

Mr. MURRAY. I would; yes.

Mr. PACE. At this hour?

Mr. MURRAY. At this hour or at the next hour. That is the basis on which I would operate—for all of the people, and not for just a few.

Mr. PACE. Although the Corporation has not the information as to the average loss and the yields?

Mr. MURRAY. The trouble is that these New Dealers seem to think that we never knew anything about agriculture or soil fertility until about 5 or 6 years ago, when the fact is that we had considerable knowledge of agriculture wrapped up in our agricultural colleges throughout the country for many years, although that information does not seem to have gotten as far as Washington. They would not go through the performances they are at the present time if they had as many answers as they think they have.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. Yes.

Mr. AUGUST H. ANDRESEN. The distinguished gentleman must know that if we authorize full coverage for all commodities the administration would not go ahead until they made an investiga-

tion, because they must establish it on a sound basis.

Mr. MURRAY. Mr. Chairman, I yield back the rest of my time.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I may be the only Member of this House who is opposed to this bill, but if so that will be quite all right, and I think I can make the case.

The gentleman from Georgia [Mr. PACE] a little while ago privately asked me as to whether I would be for this bill if corn were included. The answer is, "No." I am opposed to the Federal Government going into the field of crop insurance, because it is going to be suicidal. It will develop a colossal headache, and we will have proved exactly nothing, except to carry a huge burden upon the Federal Treasury. Let us see what the score is. I have gone into this. We had the Secretary of Agriculture before the subcommittee in connection with the appropriation bill for 1942 for the Department of Agriculture. The figures I am going to give you are documented, and I can give you the pages, if you like, from the record of the printed hearings.

In 1939 the wheat premiums were about 6.7 million bushels and the losses were 10,000,000 bushels. You compute that at 60 cents a bushel and we lost \$2,216,000 on our wheat experiment in insurance in 1939.

They said at that time, "As we find a sounder basis everything will be hunkydory." In the following year, 1940, they took in over 13,000,000 bushels in premiums on wheat. They paid out 22,000,000 bushels in payments. Expressed in terms of 60 cents a bushel their loss was \$4,431,000. I have reason to believe that the score is going to be no different in the crop year 1941 because they are already anticipating that there will be a loss.

Here are succeeding losses each year. But that is not the whole story. You will find additional losses in the fact that the administrative expense comes out of the Federal Treasury. I will take for my authority the great gentleman from Georgia [Mr. TAVER], who is a member of the subcommittee. He asked Mr. Smith, head of the Crop Insurance Corporation, what the cost of administration was. You will find this on page 938 of the hearings if you are interested in looking. Mr. Smith said \$5,434,488. It has run over \$5,000,000 a year. Add \$5,000,000 to \$2,000,000 and the loss was \$7,000,000 in 1939. Add \$5,000,000 to four and four-tenths million, and the loss was nine and four-tenths million in 1940. We are going to have that continuing administrative cost as we go along. We are going to carry a big load of red ink in this venture year after year.

I am satisfied in my own mind that we are not going to work out a sound actuarial basis unless the premium is so high that farmers will back off, and then we can cross off these insurance contracts and put it in red ink on the books of the Treasury. We should look ahead a little. This thing is tied to something else.

When you insure a crop do not forget you are developing a vested interest in that crop, and if for some reason we have to change our agricultural economy because of world conditions, then what we have done will stalemate any chance to get out of that situation.

Sixty countries are raising cotton. China produces 3,000,000 bales; India, 5,000,000; Russia, two and three-tenths millions; Egypt, three and twenty-five one-hundredths millions; and Brazil, 3,000,000. They have three and one-fourth million square miles of territory in Brazil. They have millions of acres of new cotton land in Brazil. They have 42,000,000 people. They are going to get ready to whack off some of their coffee trees and go into the cotton business. Once we secure an insured interest in the cotton production of this country and it becomes necessary to change the economy, frankly, I do not know how we will do it. I am alarmed about extending this, and we have not seen the limit. To aggravate the situation and provoke even greater losses insurance will be gradually extended to other basic crops. Let me read from page 948 of the hearings on the Department of Agriculture appropriation bill. This is our friend the gentleman from Arkansas [Mr. TERRY] speaking. He asked this question:

Now, Mr. Smith, are you working, for instance, on the rice crop?

Here is Mr. Smith's answer, the head of the Federal Crop Insurance Corporation:

Yes, sir. At the present time we are working on cotton, corn, rice, tobacco, and citrus fruits, and studies are being made on each one of those commodities.

So after a while we are going to insure oranges on the trees. We are going to insure lemons, I suppose, and make sure there will be a rice harvest. Some of these may prove sour crops for the Federal Treasury.

I do not know how they are going to arrive at an actuarial basis, based upon accounting mortalities, as the gentleman from Minnesota says, and make this thing work out without a staggering loss. I am alarmed about it and that is why I am opposed to it. I do not know of any other country that does it. As we go along, having no regard particularly for the future, we are going to wind up with a tremendous headache. I agree with the gentleman from Wisconsin. If you are going in for insurance, let us go whole hog.

I am disposed to offer an amendment on page 2, line 9, after the colon, which would read as follows:

With the cotton crop planted for harvest in 1942, the field-corn crop, and the oats crop, flax crop, rye crop, sorghum crop, sugarcane crop, peanut crop, potato crop, sweetpotato crop, barley crop, buckwheat crop, alfalfa crop, artichoke crop, celery crop, rutabaga crop, pear crop, plum crop, almond crop, apricot crop, avocado crop, orange crop, lemon crop, broom-corn crop, cherry crop, soybean crop, hop crop, hay crop, clover crop, onion crop, prune crop, tomato crop, and spinach crop whenever the Secretary of Agriculture determines that a satisfactory actuarial basis has been established for such commodities.

The accent might be on the spinach.

Mr. MICHENER. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman left out chickory.

Mr. MAY. The gentleman also left out cashews.

Mr. AUGUST H. ANDRESEN. Does the gentleman have peanuts in there?

Mr. DIRKSEN. I have peanuts in there.

Mr. Chairman, it is regrettable there are not more Members on the floor today to envision how we are going to project this Government into a crop-insurance policy that will continue in proportion as those boys down in the Federal Crop Insurance Corporation continue to push insurance for other crops. Each year we are going to wind up with a headache and a deficit. If there is to be any withdrawing from this program that time is now.

We are not satisfied with the result obtained in the field of wheat. We have had losses in the years in which wheat has been insured. There will be a loss this year, in my judgment, as indicated by the testimony. Why should we add another crop now?

If you are bound and determined to extend crop insurance, why not defer it for a year or two until sounder actuarial data and information is available to the Congress and to the Department of Agriculture. I wish there were more interest, I wish there were more opposition to the pending bill at this particular time. It is a very unfortunate thing that on a matter of policy so grave and with so many implications there is such a great lack of interest at the present time. We are going to move on if we take this step today and indulge in other fields of insurance. After a while, we will simply have to tax it against the Federal Treasury and then wonder where the fund will come from. I do not know whether anyone else in this Congress will vote against the pending bill today, but I shall raise my voice as best I can and vote against it.

Mr. PACE. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. PACE. The policy is to afford some sense of security to most all other American citizens. For old age there is some assurance of a return on their efforts. Now, what does the gentleman propose to offer in the way of security to that branch of the citizenry that provides all of the food and fiber for the Nation?

Mr. DIRKSEN. I do not propose anything as a substitute. If you are going to carry out logically that theory of assurance, insurance, and guaranty, then why not insure the plumber his job, why not insure the grocer a return on the canned goods he pushes across the counter, why not insure every segment of public life in this country? Let us find them all and somehow or other put them on the insurance rolls and be done with it. I am not yet persuaded that we are going to depart from what they call a sound American viewpoint. If we can get prices up—and I am willing that the farmer have adequate prices from one year to another—then when he does have

adversity he can balance the good years against the bad.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DIRKSEN. Mr. Chairman, if we follow that proposal through, what about industry that will go on for a year, or 2 or 3 years having a loss, then pick up the stitch and have a good year or two so that one cancels the other. Obviously if you are going to go the whole hog on this insurance principle, then look out.

Mr. PACE. The gentleman, of course, understands the farmer has no protection under the Social Security Act. He has no benefit from a guaranteed wage under the Wage Act. He has no way to set aside a retirement fund like the millions of Government employees. He has to plant his crop, produce his crop, and when the evening comes and it is destroyed by the elements, he is left destitute and alone.

Mr. DIRKSEN. I have a far better answer to that. Instead of having him go through all the rigmarole of planting wheat, hoping for rain, plowing, and cultivating the land, and so forth, let us make direct provision out of the Treasury and be done with it. That would be the answer.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, it is always very interesting to listen to our very industrious, loquacious, and learned friend, the gentleman from Illinois [Mr. DIRKSEN]. This is nothing new. The gentleman has opposed this legislation heretofore. In spite of that fact the House has passed this legislation on two previous occasions by very large votes, although later it was vetoed by the President. I understand on reliable authority that the President will sign the pending legislation at this time and I hope, in spite of the remarks of the gentleman from Illinois, that this House will see fit to repeat what it did on a former occasion and pass this legislation, affording some sense of security and protection to that large class of our citizenship of the Southland who are engaged in the production of cotton.

As has been pointed out on the floor of this House repeatedly, we believe in insurance in this country. Insurance is a fundamental, recognized principle of our economic life. We insure our automobiles, we insure our homes, we insure our lives for the benefit of our loved ones, we even insure in this modern age under this Democratic administration against old age and the evils thereof.

In spite of the attempt that was made to ridicule this legislation, and ridicule, I admit, is always a very dangerous weapon when effectively used by a skilled foe, the legislation is desirable and it is fundamental. I hope that this House, notwithstanding the facetiousness that has been shown and the ridicule that has been leveled at it, will go ahead and repeat what it did on a former occasion and pass the legislation, giving the President of the United States an opportunity to sign it in the light of the further study that he has seen fit to make.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. May I say to the gentleman, as he has stated, that last session, the third session of the Seventy-sixth Congress, on two roll calls, this identical bill passed by a vote of more than 2 to 1. This year the Secretary of Agriculture and the President of the United States recommend favorable consideration of it, and the Secretary states that as to other commodities he is not prepared to recommend an insurance program, until further investigation. I gladly support the pending bill as I supported the prior bill, and I repeat the arguments I then made.

Mr. COLMER. I thank my friend for his very able contribution to this discussion.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman from Mississippi says that this identical bill once passed the House. There is not a man in this House who can read this identical bill and have any idea what it means—I say this advisedly—unless he gets the law and superimposes upon the law these amendments. He is a very quiet, analytical man if he can do that satisfactorily inside of 1 or 2 hours.

When the chairman of this committee appeared before the Committee on Rules he was unable to do it. It cannot be done. I have been attempting for better than an hour here to write an amendment to a provision in the bill, and with this "strike out and insert," "the comma," and "the colon," and the language being amended by this bill not being before the Congress, it is a technical physical impossibility. I hope the committee will not bring another bill like this in here.

Mr. COLMER. May I say to my distinguished friend and colleague on the Committee on Rules that he does himself a grave injustice. I personally resent the aspersions he has cast upon his ability as an able Member of this House, as a lawyer, and as a man for whom I have a very high regard. The matter is not so difficult as all that. My friend is very astute, and I am sure he can analyze the situation as he sees fit.

Mr. Chairman, now to get away from personalities for the few remaining moments which I have, let us analyze the situation briefly. What is the purpose of this legislation? The bill is simply an amendment to the crop-insurance bill which was passed by the Congress some 2 years ago. That bill provided for crop insurance on wheat alone. For 2 years that law has been in effect, and the wheat farmers of the country have found it satisfactory. Last year the Congress passed this identical bill, extending the benefits of the Crop Insurance Act so as to include cotton. The bill, had it become law, would have given the farmer insurance on his crop against failure from drought, floods, and the pestilence of the boll weevil. When he planted his crop he could realize that by good husbandry his crop would not be a total loss because

of the visitation of any of these evils which have heretofore beset him.

Mr. Chairman, it was my privilege at that time, as a member of the Rules Committee, to report House Resolution 271 of the Seventy-sixth Congress which made in order the consideration of this measure. At that time and in behalf of that legislation I addressed the House at some length upon the benefits which it was hoped the bill would extend to the cotton farmers of the Nation. The President saw fit, as has already been pointed out, much to the astonishment of those of us who were friendly to that legislation, to veto that bill, and so it is back today for your reconsideration. And as I have already stated, the President, in the light of the opportunity for further study that he has had to make of the legislation, has signified his intention to approve the bill if the Congress sees fit to pass it again.

It is argued here today that in view of the fact that this legislation is more or less experimental further time should elapse before the benefits of the Crop Insurance Act should be extended to cotton. The Department of Agriculture differs sharply with that position. This legislation for 2 years has been tried out in the wheat-growing areas in 32 States of the Nation. And now the President of the United States, the Department of Agriculture, and the friends of the farmer generally favor the enactment of this bill. Frankly, I confess that no one can say definitely just how this matter will work out in its application to the cotton crop. But in the light of the success which it has met with in the wheat area, and in my zealously to see the cotton farmer improve his lot, I am asking the House today to pass this legislation and at least give us an opportunity to try it out. If it proves unsatisfactory, of course, we who are most interested in cotton will be the first to ask for its repeal. Personally, I am very much in the same attitude about this that the President himself was in the early days of 1933 when he took over as the head of this Government. He said that we were going to try; that we were going to make mistakes; that we would profit by those mistakes; but that we were going to try to do something. Because of the lot of the southern cotton farmer with the loss of his foreign markets, with the continuous innovations of new substitutes for cotton, and with the growing tendency of other parts of the world to become as independent for their raw materials of this country as possible, I am in favor of trying out this experiment for the cotton farmer. Frankly, my friends, if this bill becomes a law and the farmer can have the sense of security that will come therefrom, together with the parity payments and the soil conservation payments which have already been provided by the Congress, I personally feel and rejoice in the fact that the farmers in my section can at least feel that they have not been neglected in these stirring and chaotic times by the American Congress. At least those of us who have the interest of the farmer at heart can get some satisfaction out of knowing that we have done the best that we could under the complicated and complex conditions that exist in the world today.

Mr. Chairman, I hope there will not be 50 votes cast against this bill here today in spite of the derision that has been pointed at it by some of our Republican friends on the left-hand side of the Chamber. The bill should pass, the President should sign it; and the farmer should have an additional sense of security from the floods, the droughts, and the pestilence with which he is harassed. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I believe we ought to approach the consideration of this bill with the thought in mind that crop insurance is definitely an experiment. I do not believe anyone can say it is anything more than that. I have never heard anyone urge the enactment of this type of legislation on any other theory. It most certainly is an experiment that is worth making, however. There is no business in the world which has as many hazards confronting it as farming, and there is no business in the world which has as little insurance against its natural and normal hazards as agriculture.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. May I ask the gentleman from Kansas if it is not true that the hazards he has mentioned have made it impossible for the farmers to get insurance and protection that will protect him against disaster and loss, like other forms of business, and if this is not an effort to put him on an equal footing with the businessman, who is able to get insurance so that if disaster, fire, flood, or otherwise, comes along, he can protect himself and get back in business?

Mr. HOPE. I believe the gentleman has stated the proposition very well indeed. I agree with him.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Since the gentleman from Kansas said that this is experimental, is there anybody on this floor who will deny that we lost over \$2,000,000 in 1939 on wheat, that we lost over \$4,000,000 in 1940, and that in addition we spent over \$5,000,000 in administrative expenses in each of those 2 years, over and above the losses? Is there anybody who will deny these figures?

Mr. HOPE. The gentleman's figures are correct as far as I know, yet it seems to me that they fail as an argument against crop insurance. We all know that as long as insurance is on one crop only there will be greater hazards some years than others. If the premiums were figured absolutely correct from an actuarial standpoint there would probably never be a year when they would be exactly the same as the losses. Sometimes they will be over, sometimes under.

I believe the fact that we have had losses in the 2 particular years this plan has been in operation, coupled with the fact that these 2 years were years of severe drought in a large part of the Wheat Belt, is simply another proof of

the fact that we ought to have crop insurance if it is practical. I do not believe this experiment as to whether or not crop insurance is practical will be decided or can be decided in 1 year or 2 years or 3 years. I believe in any line of insurance you have to go over a period of several years in order to get the basic figures upon which to determine the risk and the amount of premium to be charged.

When the present crop-insurance system was set up it was applied on wheat originally because there were more basic data on wheat than on any other crop, yet there were not such data as any of us would have liked to have had on wheat. During the last 2 years, however, much more data have been accumulated through the experience of the Crop Insurance Corporation. They know a great deal more about it now, and about the proper rate to charge for premiums, than they could possibly have known at the time this plan was put into operation. They will know more at the end of this year and more at the end of next year than they know now. It is frankly an experiment.

We have had two disastrous years as far as wheat is concerned. I do not agree with the gentleman from Illinois that we are bound to have a loss this year. On the basis of present wheat prospects, the Corporation will likely not have a loss this year, but if it should have a loss that still does not prove anything as far as the soundness of the program is concerned. I believe that is the answer to what the gentleman from Illinois says, that you cannot say that because of your losses in 1 year or 2 years the proposition is a failure. It may be that the rates are too low, but the fact that there were losses for 2 successive years, which were particularly bad years as far as wheat production is concerned, does not even prove that. If the Corporation makes a profit this year and makes a profit next year, that will entirely alter the picture the gentleman from Illinois paints.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I think the gentleman makes an argument against the bill because, as the gentleman has stated, Hartford and Travelers and other private companies which had a great mass of actuarial data never could make it pay, and now the Government has the advantage of that data and still we have to recast the actuarial approach from time to time. So why not limit this experiment at least to one crop instead of moving into other crop fields and into other losses?

Mr. HOPE. I think there is something to what the gentleman has said about not expanding it to too great a degree, although I understood him to say in the course of his remarks that if we are going to have this he wanted it expanded to all crops and all commodities.

Mr. DIRKSEN. That is definitely correct.

Mr. HOPE. I think what we should do is to approach this matter carefully and cautiously as data are accumulated on other crops than wheat. There is

only one other crop upon which sufficient data have been accumulated to justify us in going into it now, and that is cotton.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Yes.

Mr. HOFFMAN. The gentleman was speaking about the hazards that the farmer is required to meet. May I suggest that not all of the hazards come from nature; and, as an illustration, let me cite this: In the spring those of us who grow apples are required to spray. Everyone knows if you are going to get fruit you must keep bees, and just as soon as the spring opens up and spraying begins around comes a Government inspector and says, "You are putting on too much spray; you are going to kill all the bees." Pretty soon along comes the fellow who inspects as to scale and he says, "You have not put on enough spray; you have got to put on some more." This puts the farmer in an awful hole and he does not know what to do. Is there some solution for that problem? I am interested personally.

Mr. HOPE. I know the gentleman is, and I sympathize with him, but I think his complaint is a little beyond the scope of this bill. I agree with him that what he has related describes another hazard which the farmer is up against.

Mr. HOFFMAN. Yes; one that the Government puts on.

Mr. HOPE. There is no argument about that.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. ZIMMERMAN. I will ask the gentleman from Kansas if it is not a fact that the losses that have been pointed out represent the cost which the Congress contemplated and for which Congress anticipated money would have to be spent in order to set up the organization and start crop insurance and give it a trial. That was contemplated at the time we passed the original act, was it not?

Mr. HOPE. We all know that when you set up any business organization the overhead is considerably higher in the first year or two, and that, of course, has been the case here. I hope the time will come when crop insurance will be a self-sustaining business proposition.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield myself 5 additional minutes.

I do not know whether it will be or not, but I believe we are not justified in saying that it is not sound until we give it a fair trial, and I do not believe we can give it a fair trial by limiting it to one crop, and now that we have sufficient data on cotton, I think we should extend it to the cotton crop and see how it will work out upon the two crops. If we have other crops that may be included later, such as corn, I think it is a fair proposition to include those crops also.

Mr. ZIMMERMAN. If the gentleman will permit one further question, I will ask the gentleman if he does not think we can justify the money we have spent and will spend when we take into consideration the amount of money this Government has spent for relief in certain sections where they have had floods

and other disasters, such as hailstorms that wiped out entire crops, and would we not be the beneficiaries in the long run from that standpoint alone?

Mr. HOPE. I think, undoubtedly, had crop insurance been in effect during the past few years, the relief burden of the Government in many areas which have suffered drought and other disasters would have been very much less. I do not think there is a bit of doubt about that.

I now want to call attention to one other feature of this bill and that is the one which provides that the Crop Insurance Corporation may take notes rather than wheat or cash in payment of the premium. This will save at least \$1,000,000 a year in storage charges. As you perhaps know, under the plan that has been in operation, premiums were paid in wheat, or if paid in cash, the Government bought wheat and held that wheat in reserve so it could be paid out as indemnities during the following year. This was unnecessary and it has been expensive. More than 2 years ago I urged that that plan be abandoned. In the last Congress I introduced a bill to provide for taking notes instead of collecting the premium in wheat at the time the insurance was written. I am glad to see that this bill contains that provision.

I hope this House will do what it did previously, pass this bill. Certainly if we were justified in passing the bill a year ago, with the data we had then, we are justified to a much greater extent in passing it this year.

Mr. DOWNS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Yes.

Mr. DOWNS. I happen to represent a State where they grow considerable tobacco. Can the gentleman give me any good reason why we should have crop insurance for wheat and cotton and not tobacco?

Mr. HOPE. For one reason, there is not sufficient data.

Mr. DOWNS. I understand that they are going to experiment with cotton. Why not experiment with tobacco?

Mr. HOPE. We have actuarial data on both cotton and wheat to a greater extent than we have on tobacco. As soon as we accumulate enough data to justify it, I think we should consider including tobacco.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Yes.

Mr. COOLEY. Under the present system of crop insurance where payment of benefits and premiums are both made in kind, as the gentleman has pointed out, we were faced with the storage problem, and tobacco is a perishable commodity that has to be processed before it can be stored. Now, with this new bill, there is a provision for the payment of premiums in notes rather than in kind, and as soon as the Department can get the data upon which to justify the program for tobacco, I for one will be very much interested in seeing the Department adopt a program for tobacco.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. STEFAN. I am considerably distressed by the figures stated by the gentleman from Illinois [Mr. DIRKSEN]. He indicated that in 1939 our premiums were something like \$6,000,000 and the losses were around \$10,000,000, and in 1940 the premiums were \$13,000,000 and the losses \$22,000,000. Then he indicated that the administrative cost was something like \$5,430,000. Will the gentleman explain those losses to us and state whether those figures are correct?

Mr. HOPE. I do not believe those are quite the figures which the gentleman from Illinois gave, but even if they were as bad as that, I do not feel that the fact that the losses were greater than the premiums for a 2-year period is necessarily any argument against the continuance of crop insurance. They merely show that the hazard in some years is greater than in other years.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. GRANT].

Mr. GRANT of Alabama. Mr. Chairman, this bill provides that the present system of Federal crop insurance, now limited to wheat, be extended to cotton. In our cities and towns today there are millions of persons who have social security through unemployment insurance because of our great President and the Congress of the United States. The butcher, the baker, the candlestick maker throughout the land have this income safeguard against periods of unemployment. Yet there are other millions of our people who, because of their occupation—and it is the greatest occupation of all—have been unable to avail themselves of the benefit of this unemployment safeguard. I refer to the bulk of our farm population, the cotton farmers, particularly.

At this time it seems to me not only desirable and expedient but also necessary and imperative that some form of protection, which would serve a comparable purpose to a great extent, should be available to cotton growers. Such a safeguard would be cotton-crop insurance. It would, in effect, be the unemployment insurance of the cotton grower of the South. Already it has served well the wheat growers of our country, benefiting not only them but also their communities, their merchants, their governmental subdivisions, and city labor. It can do the same for the cotton grower, for the southern merchant, for southern communities, their governmental subdivisions, and for city labor.

Everyone is familiar with the principles of unemployment insurance. During periods of employment the city worker contributes a small percentage of his annual earnings to the unemployment compensation fund. Then, when he is no longer employed, he is paid a stated sum for a minimum number of weeks. Thus he has an income when his source of income is shut off. Cotton-crop insurance will do the same thing for the cotton grower. The cotton crop is the cotton farmer's annual income. Without a crop he has no source of in-

come, just as the city worker without employment has no source of income. With cotton-crop insurance, however, the cotton farmer would pay a small percentage of his crop in good years to the Federal Crop Insurance Corporation. Then, in years of cotton-crop failure—when he has no income—he would collect an indemnity. In this respect, his indemnity could be likened to unemployment compensation paid the city worker when he is unemployed and without a source of income.

Thus, what unemployment insurance has done for the city laborer and what wheat-crop insurance has done for the wheat grower, cotton-crop insurance can and will do for the cotton grower. For 3 years crop insurance has been in effect for wheat growers of the country. In good years they contributed a small amount of their crop to the Corporation to protect themselves against crop loss from all unavoidable hazards. So, too, would the cotton farmer under a cotton-crop insurance plan. In good crop years he would pay to the Corporation a small amount of his crop to protect himself against loss from all unavoidable hazards. In crop-failure years, just as the wheat grower has done, the cotton farmer would be paid an indemnity from the premiums he and his fellow cotton growers paid for their crop insurance. This is the way cotton-crop insurance—his unemployment insurance—would work.

The insurance would cover all cotton grown on the farm and would be an "all-risk," which means that if the grower suffers a loss from any unavoidable hazard, such as drought, flood, hail, frost, tornado, storm, excessive or deficient moisture, insect damage, or plant disease, the insurance covers it. The amount of premiums and the amount of indemnities for crop losses can be determined in pounds of lint cotton and payment could be made in either cotton notes or its cash equivalent, at the option of the grower.

Its effect would be more far-reaching than would seem possible at first glance. Complete crop loss, remember, takes from the cotton grower his sole means of income. Lack of money means going into debt—if he can get credit—or going without vital and essential food and tools. The result is that not only does the farmer and his family suffer, but also his community, the merchants, and city labor, because the farmer is unable to purchase what labor manufactures. I know that the record of cotton-crop loss years is studded with unpaid taxes, mounting foreclosures, unpaid interest, and mortgages, increasing relief expenditures. Thus governmental subdivisions are saddled with increasing relief costs, dwindling tax income, and a growing sociological problem.

Experience with crop insurance on wheat has demonstrated that this protection against crop loss will help stabilize farm income and local business, contribute to the health of the individual and the welfare of the community, and help maintain the cotton grower as a necessary part of the Nation's economy. Cotton-crop insurance will go far toward leveling the ups and downs of good years and poor years in agriculture and

strengthening morale in these days of national defense.

Mr. KINZER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. GEHRMANN].

Mr. GEHRMANN. Mr. Chairman, I admit at the outset that I do not know very much about the workings of this crop insurance as it applied to wheat last year, and as it is intended to extend it to cotton, but in the main I say I am in favor of anything that will assist the farmer in any way to eliminate this great risk that he is subject to. I hope that eventually we will be able to extend insurance benefit to all of the major crops. I am sure that under the risk to which he is subjected it is impossible for the farmer individually to carry insurance. I tried that some years ago. Before I moved out to my present home I had a large farm and raised a lot of corn and wheat and other grains. I carried insurance for several years, and even during the good times, shortly before the war, in 1914 and 1915, it was impossible for me to carry the premiums. Therefore, after 2 or 3 years I dropped the premiums, and the next year we had the worst hail storm we ever had in that territory. It destroyed the entire crop, excepting a little hay. Of course, we will always find those who constantly say that the farmer is being subsidized to a large extent. I admit that, but on the other hand I do not believe that his subsidy compares with the subsidies that are provided in an indirect or in a different way for industry. This is only a protection to the farmer comparable to the protection that industry has by way of tariffs. Usually, and certainly if we ever resume our friendly trade relations with South America, the farmer will be used for trading stock, because South America does not have anything else to ship to this country except agricultural products.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. GEHRMANN. I yield.

Mr. AUGUST H. ANDRESEN. Does the gentleman feel that this insurance proposition will compensate the farmers of this country for what they will lose in the trade agreements with Argentina and Uruguay?

Mr. GEHRMANN. No, I do not believe we can ever have protection enough to compensate the farmer for the loss he is going to be subjected to with competition from foreign nations. That is why I say that anything that goes to the farmer, even though it does not affect my district at all, I am for it. I have supported all of these measures, including parity payments, although they have not helped us at all. I have supported them for 7 years with a lot of patience, believing that eventually we will have recognition for the largest single industry, namely, the dairy industry. I am very happy to know that we have a chairman of the Committee on Agriculture, and a number of other Members from the cotton and Southern States who have absolutely pledged their support, and I am sure they mean to go along and do something for the dairy industry this session.

When we got to the point where perhaps the dairy farmer could enjoy some fair prices, along comes our Secretary of

Agriculture and pegs the butter price at 31 cents. Then he said we must produce more cheese and butter, and the farmers in my State—which produces more than half the cheese in the United States—converted many creameries and put in extra cheese vats to make cheese. Our universities and the State department of agriculture spent millions of dollars to improve the quality of cheese, and to educate the people all over the country to eat more cheese. In other words, to become cheese-minded. Now, along comes the Department of Agriculture, and says we have to curtail the consumption of cheese so we can ship more of it to Britain and other places. I think we can produce enough cheese to supply Britain as well as other countries, if Britain would draw on her own colonies and South American countries, and use what they produce over there. I am sure it is not fair to ask our people to curtail the consumption of cheese when we have worked for years and years to build up and acquire the habit of eating cheese.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield further?

Mr. GEHRMANN. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman has spoken about curtailing the consumption of cheese. I just noticed a week or so ago that the administration announced there were 45,000,000 American citizens who were undernourished because they were not eating enough cheese.

Mr. GEHRMANN. That is what I said. We have been educating them; telling them that they need dairy products, but now they say we must not eat so much of it. Of course, we go along with one experiment after another, and I am in favor of this, but until we adopt the principle of setting a floor under farm prices, based on cost of production, we will not put the farmer on a self-supporting basis.

[Here the gavel fell.]

Mr. KINZER. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. KNUTSON. Will the gentleman yield?

Mr. GEHRMANN. I yield.

Mr. KNUTSON. Is the House to understand that after 8 years of the New Deal and the more abundant life there are 45,000,000 Americans who are still undernourished?

Mr. GEHRMANN. According to the press, evidently there are; but at the same time they do not want them to eat cheese because some other country probably needs it more than our own people.

Mr. KNUTSON. I can appreciate it happening under the New Deal. We never had 45,000,000 undernourished when the Republicans were in power.

Mr. GEHRMANN. I think it is absolutely not the business of the Department of Agriculture to tell our farmers that they should write us who were opposed to getting into this war by convoy or other means, that we should support conveying, because they claim that if we could convoy and safely deliver agricultural products, our farmers would get a better price for them. I thought they were only rumors, but I sent out

45,000 questionnaires, and I asked everybody that I had on the mailing list if they were in favor of convoys. I had opposed the passage of all measures that might lead us into war, but since they passed, I wanted to know if they wanted me to vote for convoys. I received something over 7,000 answers, and I will say that the percentage in favor of conveying was a little over 2 percent. It was 2.06 percent, but in those replies a great number of farmers, several hundred, asked me who instigated or who caused this rumor. They thought it was a rumor. No one could put his finger on who actually ordered this. I do not know if they meant county agents or the different Farm Security administrators, or whoever they were that evidently spread this idea that they should write to us about being in favor of convoys.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield further?

Mr. GEHRMANN. I yield.

Mr. AUGUST H. ANDRESEN. I received at least 15 letters written on the same type of paper, with the same typewriter, coming from my district but mailed from Minneapolis, in which these farmers, who I think were mostly on the A. A. A. committee, urged me to vote for a bill that would use the American Navy for convoy purposes. I wrote to all of those men—in fact, I answered the letters and I asked the question, "Who told you to write this letter to me?" because there is no legislation pending in Congress, as far as I know, urging the use of the Navy for convoy purposes. A great many of my letters that went out to those people have come back, which demonstrates that somebody in high circles is sending out fictitious letters, forged letters, you might say, urging us to vote for some type of bill that is not in existence.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. O'CONNOR. Will the gentleman yield?

Mr. GEHRMANN. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is it not a fact that owing to the many discussions over the radio by different people about convoys it has inspired many people to write to their Congressmen as to how they feel upon the question of convoys?

Mr. GEHRMANN. Yes.

Mr. O'CONNOR. May I say to the gentleman that I have been receiving a lot of letters not only from Montana but from all over the country, and they run at least 85 percent against convoys and about 95 percent against participation in this war.

Mr. GEHRMANN. Mine run more than that. Out of 7,000, the actual percentage figures, computed this morning by my secretary, are 2.06 percent in favor of convoys and about 98 percent against convoys. After I received a number of these letters I called up the Department of Agriculture, but I was not able to get anyone at any time at either the Farm Security or in another regular department of the Department of Agriculture who would assume responsibility or who knew anything about it. I do not know where it came from, but anyway it was

quite prevalent and is being used all over the country to urge the farmers to write to their Congressmen to get them to support conveying or other means in order to deliver the goods to Britain.

Mr. AUGUST H. ANDRESEN. All of the letters I received were to enact legislation to provide convoys so that we can sell our farm products or send our farm products over to Great Britain.

Mr. GEHRMANN. That is what they meant. I think it is absolutely unfair, in the first place, for the Department of Agriculture to curb farm prices in order to protect the consumer. It seems to me they ought to look in between somewhere. Maybe it might be some unnecessary middleman who is making an unreasonable profit. Both the consumer and the producer should be treated more fairly by eliminating profiteers usually found among unnecessary middlemen. One thing is certain, and that is while the farmers have been producing at a loss for many years, and it appears now because of this preparedness program they might recoup some losses, they are not willing to enter this war for that purpose. Would that some other groups could feel the same way about this war.

Mr. FULMER. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. Doxey] 10 minutes.

Mr. DOXEY. Mr. Chairman, this debate has certainly taken a wide range; however, it is known to most of us that whenever we discuss a problem here relating to agriculture it is permissive for the debate to take a wide range because agriculture is a Nation-wide subject and vitally affects many different districts in these United States. There have been a lot of things developed in this debate that have been exceedingly gratifying to me. One is the fact that there is so little opposition to the pending measure, and I refer particularly to organized opposition. The only opposition was expressed by our delightful, charming friend and colleague the gentleman from Illinois [Mr. DIRKSEN], who bases his opposition on the thought that he is against all kinds of crop insurance. He did not say, "If you give it to wheat you should give it to cotton." He is just against all kinds of crop insurance. Yet, from the standpoint of economy, he then announces he is going to offer an amendment that will include every kind of a commodity in this bill. This strikes me as too ludicrous to even reply to. In making the closing speech in this debate, with time limited, I necessarily will have to just touch the high points.

Mr. HOFFMAN. Will the gentleman yield?

Mr. DOXEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I only rise at this time because I do not see the gentleman from Illinois [Mr. DIRKSEN] on the floor. I had a different understanding of his statement. I may be in error, but my understanding was that the gentleman thought that if we were going to have crop insurance on any crop, we should have it on all crops.

Mr. DOXEY. I think the gentleman is right about that; but until we know what the history of a commodity is and whether or not the background of it

makes the commodity capable of being an insurable proposition along the lines of crop insurance already established, I say it is unreasonable to try to extend it to that commodity, or to think about extending it to all agricultural commodities until the Government has sufficient data and a satisfactory actuarial basis for dealing with such commodities.

Mr. HOFFMAN. I am not arguing about it. I am trying to make that correction.

Mr. DOXEY. I appreciate that, and I want to be fair as well as clear.

Let me give some background with reference to crop-insurance legislation, and also talk about the merits of this bill. The bill has been discussed so ably by those who preceded me that it is unnecessary for me to go into details.

There is this one additional feature in this bill which is an amendment to the crop-insurance bill, and that is it makes cotton eligible for the insurance program, just as wheat is now eligible for the insurance program. The bill further provides as an amendment to the Federal Crop Insurance Act that the Department of Agriculture, for which appropriation has been made, shall get up actuarial data regarding corn, as corn is the next commodity in line as a reasonable, practical proposition for the extension of the insurance program if and when the facts justify it and Congress passes a law to include corn just as we have extended or are endeavoring to extend it today to cotton. There is this additional feature, as has been explained here today: The farmer can pay his premiums in three ways. He pays them in two ways now—with the commodity in kind or with cash. This bill provides the additional feature, which I think is quite a helpful addition, to wit: He can pay his premium with a commodity note. That note, of course, is payable when due. In that way it cuts down the expenses of the Department in not having to carry the commodity and pay a storage on it.

Mr. Chairman, I want to say there is some background behind this legislation. Those of you who have been here as long as I have been know that we have talked crop insurance for many years. It was talked about under the proposed program of the old Farm Board, and, in my opinion, if they had had a little more crop insurance at that time and a little less purchasing program, the program might have turned out better. Nothing was done except talk so far as the crop-insurance program was concerned until in 1937. You know the President at that time called the Congress back in November for a special session of Congress, and the Committees on Agriculture in the House and in the Senate went to work on a general agricultural bill. There was no general agricultural program, because the United States Supreme Court had declared unconstitutional the original Agricultural Adjustment Act.

I am not trying to throw any bouquets, but our committee worked incessantly on that proposition. The House passed the Agricultural Adjustment Act in December 1937. The Senate passed it a few days later. On about December 15, 1937, the Agricultural Adjustment Act went to conference. On the House side every

Member that was in the committee of conference on that bill is in Congress except our distinguished friend, Marvin Jones, who was then chairman of the House Committee on Agriculture. The rest of us, our distinguished chairman today, the gentleman from South Carolina [Mr. FULMER], the gentleman from Pennsylvania [Mr. KINZER], the gentleman from Kansas [Mr. HOPE], and I, are all here. We were the conferees appointed by this House in 1937.

We went into conference with the Senate conferees. The Senate conferees were composed of some of the gentlemen who are in the Senate today and some who are gone. I do not have time to give you the details, but we worked in that conference day and night, even during the Christmas holiday.

We knew that crop insurance was a good thing. The House passed the bill without crop insurance, but the Senate put an amendment in the bill including insurance for wheat, as an experiment. At that time the Department of Agriculture had more actuarial data regarding wheat than any other commodity. Crop insurance is pioneering. This is all ground work. I wish I had time to tell you of the manner in which the Department of Agriculture has handled this crop-insurance program and to compliment them, for I think they richly deserve it. This proposition has cost the Government some money, but it is money well spent, and how infinitesimal it is compared to the good it has done.

Right here, not by way of digression, but by way of emphasis, let me say that this program will work better or as well on cotton as it has on wheat. The Department not only has factual data and historical data on cotton, but it has plans to put this cotton-crop program into operation. They have studied cotton, and I feel sure they will make a good job of administering it. I believe the benefits will greatly outweigh any liabilities or expenses that may be incurred. When we oppose this bill on the ground of economy, I tell you it is false economy because the agricultural program does not have the benefits and protections thrown around it that other programs have. I do not believe you begrudge this program we are endeavoring to put forward for the benefit of the cotton farmer.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield to the gentleman from South Carolina.

Mr. FULMER. Referring to the losses incurred during these 2 or 3 years, may I say that they are nothing to compare with the millions that were lost in the way of emergency loans, grants, and relief, because of crop failures, that the Government never did get back.

Mr. DOXEY. The gentleman is eminently correct, and I appreciate his observation. Crop insurance has lightened the relief rolls. You men who know cotton know that it is a credit crop proposition; it is run on credit. If a farmer fails, he cannot pay his bills in the fall of the year, and naturally he goes on relief. It has been proven in the wheat section that if the farmer has a loss the Government, having insured his wheat

crop up to 75 percent—and it insures not as to price but as to yield, and they pay either in cash or in kind—he will have something not only to pay his debts with but to live on. In that way it will reduce, or should reduce, some of the expenses our distinguished chairman has mentioned.

To go back to the conferees, we said, "All right; we will put the wheat-insurance program in the bill." Some of us insisted at that time on putting cotton in the Agricultural Adjustment Act of 1938, but more data were available as regards wheat. Those of us who have agriculture really at heart know that we have to give and take in order to get anything. It is my privilege always to do anything I can for wheat or any other commodity, dairying or anything else. But each has to take its turn. So we agreed that wheat would go in as an experiment and that then cotton would follow if and when the department that administered the program said that they had the necessary facts regarding cotton and Congress authorized cotton to be included.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield to the gentleman from Pennsylvania.

Mr. HAINES. I wish to compliment the gentleman for the interest he has always shown in matters pertaining to agriculture. My wheat growers have been unfortunate because they have no storage facilities and cannot take out this insurance by reason of that fact. I wonder if the gentleman will tell me, although perhaps it has been explained in the Committee during my absence, what percentage of the wheat farmers of the country took advantage of this insurance. [Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Mississippi.

Mr. DOXEY. I can give the gentleman the figures. The number of wheat contracts in the year 1939 was 165,775, and the number of contracts in the year 1940 was 379,420. Just what percentage that is of the entire wheat production I cannot begin to say, but I know there are about 2,000,000 farmers engaged in the production of cotton and more than that engaged in the production of wheat, so the gentleman can see what the percentage is. Necessarily, any program of this nature has to have a beginning and it has to grow.

Mr. HAINES. I want the gentleman to understand that I am very much in sympathy with it.

Mr. DOXEY. I understand, and I appreciate the gentleman's attitude. I hope the gentleman's wheat farmers will take advantage of this program and that they will have facilities for storage, but if we pass this bill and our amendment goes in, the storage item will not be so important, because they can give commodity notes.

Mr. HAINES. If the gentleman will permit an observation, may I say I believe this will be of more benefit to the cotton growers than it is to the wheat growers.

Mr. DOXEY. The gentleman has always been magnanimous, and we appreciate it. I certainly hope this program

will be a success. Cotton needs all the help it can get.

I challenge any man to show that this program is not fundamentally sound, although you may raise some objection on the ground that it may not be economically sound for the first 2 years, when it is necessarily in an experimental stage.

I want you to realize that you cannot solve this agricultural problem with one piece of legislation. It is going to take a number of pieces of legislation, and this is fundamental, but it is just one proposition and, naturally, when our friends from the Corn Belt have the actual data that will justify the Congress in enacting such a law, speaking only for myself, I may say that you will find me just as enthusiastic to include corn in the crop-insurance program as I have been to include wheat, and as I believe you will be to include cotton.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield to the gentleman, and I want to say to my friend from Washington that he has been of invaluable help in this matter, and I am delighted to yield to him. He is a real friend to the farmer.

Mr. LEAVY. I happen to be on the subcommittee on agricultural appropriations with my good friend the gentleman from Illinois [Mr. DIRKSEN], and he and I draw different inferences from the same set of facts. He contends that wheat insurance has been a failure, while I take the position it has been a success. And if you will turn to page 931 of the hearings on agricultural appropriations for 1942, you will find that we have collected in 3 years \$23,960,000 and have paid out \$19,240,000, and there is now a reserve of \$4,720,000. These figures are the wheat collections in terms of dollar value. Of course, that includes premiums collected for fall-wheat crop that will be harvested this year, against which there are indemnity possibilities for the current crop year. We have collected wheat in the amount of 33,473,000 bushels, and we have paid out in wheat value 32,969,000 bushels, and we show a profit of 504,000 bushels, or that much more wheat on hand to meet losses than has been paid out. Natural conditions indicate there will be a very small loss and the surplus will likely exceed the total losses to date.

We have done this in the face of two of the most adverse years. Now, if we have made this fine showing with wheat, and we have had but 3 years of experience, and this year promises to be a year showing a surplus, certainly we can do the same thing with cotton.

Mr. DOXEY. I want to say to my distinguished friend from the State of Washington that I was not exactly as familiar with those facts as is my friend, because he is on the Appropriations Subcommittee with our distinguished friend from Illinois, and if I had had the facts and the time I would have answered the gentleman from Illinois in that regard, but I had neither the time nor the facts, and I thank my friend from Washington for his contribution. But whether this cotton-crop insurance is a paying proposition in the beginning or not, I say to you it is a righteous cause, and I believe the House will vote almost unanimously

in favor of the pending measure and help us help the cotton farmer. [Applause.] [Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 502 of the Federal Crop Insurance Act, as amended, is hereby amended by substituting the word "crop" for the word "wheat crop" and by substituting the words "agricultural commodities" for the word "wheat."

SEC. 2. That section 506 (h) of said act, as amended, is amended by striking out the words "for wheat and other agricultural commodities."

With the following committee amendment:

Page 1, line 7, strike out all of section 2 and insert:

"SEC. 2. That section 506 (h) of said act, as amended, is amended by striking out the words 'for wheat and other agricultural commodities' and by inserting in lieu thereof a comma and the following words: 'and preparatory to the application of the act to other basic commodities when so provided by law, shall assemble data relative to field corn, for the purpose of establishing a satisfactory actuarial basis for such commodity.'"

Mr. SAUTHOFF. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF to the committee amendment: On page 2, line 4, after the comma, at the end of line 4, insert "and dairy products."

And in line 6, change "commodity" to "commodities."

Mr. SAUTHOFF. Mr. Chairman, the only purpose I have in offering this amendment to the committee amendment is this. The committee amendment permits the gathering of further data in regard to several agricultural products. All I ask is to add to those agricultural products dairy products.

The amendment does not insert dairy products as one of the insured products in the bill. It merely gives an opportunity so that in the future, data shall be gathered in regard to dairy products as well as other agricultural products. It strikes me it is a fair proposal that dairy farmers be granted the same opportunity to have the Government gather the data for them and arrive at certain conclusions as for producers of other farm products to have that opportunity, and therefore I trust the members of the committee will accept the amendment in good faith, as affording merely a fair and equitable opportunity for the dairy farmers.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I yield.

Mr. PACE. The gentleman understands that the only other commodity at this time carried in the bill is corn.

Mr. SAUTHOFF. Yes; I realize that and I have added dairy products to corn.

Mr. FULMER. Mr. Chairman, I rise in opposition to the amendment. I deeply appreciate the great interest that the gentleman has in the dairying industry and I assure him that I am just as much interested in that industry as I am in every other agricultural commodity in this country. Recently we have had hearings on a bill in the committee, that

the dairy folks were interested in, and we are working out legislation which we hope to present to the House later on that will give consideration to the dairying industry. Several amendments like this will be offered, and I know that these gentlemen are conscientious, and that they want to make a showing for the record for their people, but we ought to thoroughly understand that we could not insure the dairying interests because we could not store a great many of their products. May I say that in this bill we had several other commodities but the committee finally agreed that we ought to go along in an orderly manner, taking these crops up from time to time and we cut out all crops at this time except corn. Later on we will follow with other crops and eventually, as previously stated, we hope to include all the crops that would be workable and that could be insured on a sound basis. The gentleman from New York [Mr. EDWIN ARTHUR HALL] is deeply interested in hay. That is a very important crop and I am hoping that we will be able sometime to take care of hay. I hope we will not load down this bill with amendments and let us go along on a sound program so as to make this program a success. When the Department has proper information and data, we can bring other crops in in an orderly way.

As the gentleman stated a moment ago we do not have the information on other crops and until we have definite information I hope that we will not load this bill with amendments, so that we may have another bill vetoed. Let us take these products up in an orderly manner. I assure the gentleman that I am deeply interested in agriculture in every section of the country and in the people who produce these crops. I hope that the House will pass this constructive legislation in the interest of two-million-odd cotton farmers in the South. I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin to the committee amendment.

The amendment was rejected.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer the following amendment to the committee amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL to the committee amendment: Page 2, at the end of line 4, after the word "corn", insert the words "and hay."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, the subject of crop insurance is one which is going to require a great deal of study over the next few years. It is not my purpose to rise here today to ask whether that subject is a proper one or not. My object in submitting this amendment is to draw to the attention of the membership of the House, and I dare say over half of these gentlemen come from dairying districts, the necessity of further studying and gathering of data on hay and fodders. I am saying to you that every time there is a drought in one section or another of the country, it becomes necessary for dairy farmers all over to provide some sort of subsistence

feeding and to obtain hay from other parts of the country.

It is the tendency of exploiters to come from outside into these localities that have this hay shortage and raise the price of subsistence of dairy herds. I offer this amendment for the purpose of asking the Congress to include hay as a subject for study and research because it is absolutely necessary and is a basic commodity in every dairying section of the country.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. Yes.

Mr. CREAL. When the question of tobacco was before the Committee, which is a much more insurable crop so far as the figures are concerned, the gentleman speaking voted against that amendment, did he not, in Committee?

Mr. EDWIN ARTHUR HALL. I cannot recall just what my vote was on that because it was sometime ago and it was not on a record vote.

Mr. CREAL. I recall it very vividly.

Mr. EDWIN ARTHUR HALL. In dairy sections of the country hay is a basic commodity, because upon hay and fodders the dairy cattle must subsist and I will say to the gentleman from Kentucky that if he had had the experience I have had in living in a dairy section at a time of serious drought, he would realize that more dairymen go out of business than tobacco farmers or anyone else in the country could possibly begin to, because during a drought they sacrifice permanently their sole capital stock, namely, their dairy herds. It is not a question of building up their commodity or their stock in trade in 1 year as the tobacco farmers can. The situation they are faced with is the necessity of building up their dairy herds for a number of years.

I submit for the consideration of this committee that if crop insurance is going to be indulged in and studied and adopted, it is sensible and logical to pick out a number of basic crops. There is no more basic crop in the world than hay from the standpoint of the dairyman. The rural constituents of at least half the Members of the House are absolutely dependent upon hay in their sections, in order to sustain livestock and dairy animals of their country.

Let me make one more point: I hope that the study will proceed from a consideration not of the commodity itself, but of the feasibility of insuring that commodity and the method by which it will be insured. For instance, a surplus commodity brought in from a section where a shortage occurs, such as hay, should have a reasonable price. Otherwise the dairymen of that district cannot survive.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute to complete my statement.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. EDWIN ARTHUR HALL. Hay at \$25 a ton brought in from the outside is exploitation of the dairy farmer. Hay at \$10 a ton, however, is reasonable.

Therefore, I feel that the recommendation should be along the line of providing a guaranty for the dairy farmers in one section where a drought occurs, perhaps to have that hay shipped in at Government expense from areas nearest to it, that possess a surplus. It is my hope that in the study provided by the Hall amendment—and I ask the committee to approve of this now—it will give consideration to the feasibility of some kind of insurance for this vital necessity to the dairy farmer.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. PACE. If the premium is paid in kind and the loss is paid in kind, that would automatically take care of that situation.

Mr. EDWIN ARTHUR HALL. Yes; if a reasonable price can be agreed upon.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. THOMAS F. FORD. How are you going to take care of restrictions in shipping hay across State borders?

Mr. EDWIN ARTHUR HALL. I submit that is a question for the committee and the Department of Agriculture to think about, and I am sure they can reach a definite decision on it.

Mr. THOMAS F. FORD. That is a State matter.

Mr. EDWIN ARTHUR HALL. I believe the authorities will work that out, nevertheless.

[Here the gavel fell.]

Mr. MURDOCK. Mr. Chairman, I rise in opposition to the amendment.

I am thoroughly in accord with the general provisions of our policy of crop insurance. However, we cannot take the whole step at one time. It is logical and necessary to begin the system with one crop, which we have already done, that is, wheat. It seems to me the next major crop to consider is cotton, which is a part of the plan in the bill at the present moment.

We cannot go too fast in this matter, because insurance of all kinds is based upon scientific, mathematical, statistical data and facts. We must have complete and extensive study of those facts before we can go too far in including crops. I think cotton should follow wheat. I understand the intention is to follow with a study of corn in the next logical order. That I heartily approve of. I think any amendment which would include too much would defeat the whole purpose of our program. For that reason I oppose such a proposal, although the proposal suggested may ultimately be desirable. Let us take one step at a time.

It might seem to some that I would not be interested much in cotton-crop insurance. If any explanation is needed, I want to correct any notion Members may have in that regard. Of course, you have not heard me, as the Representative of a cotton-producing State, say very much about crop insurance. One reason is this: It may seem to some that we do not grow much cotton in Arizona, but I assure you that we do grow a great quantity of cotton. Part of it is the long-staple variety, but long or short, crop failure is unknown. We grow cotton in an irrigated

country. Whenever we have water—and now we have an assured supply for a given acreage—we have no such thing as a crop failure. For that reason we are less anxious about insurance for cotton than are some of the other portions of the country where there is not only possibility but probability of partial or complete crop failure. However, there are hazards for the cotton farmers and for that reason I think even my cotton farmers ought to have the protection which this great social institution of insurance will afford them on a voluntary basis. For that reason I am firmly in support of this measure without amendment.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. ZIMMERMAN. I will ask my colleague if he does not think it is better to approach this subject step by step? We first took on wheat. We are now preparing to take on cotton. We are making a study of corn. It is better to take up those commodities one at a time rather than to try to scatter out over the whole field and not make a good job of any investigation.

Mr. MURDOCK. That is exactly it. The history of all types of insurance verifies the statement the gentleman has made. In matters of life and accident insurance and all that sort of thing, mistakes have been made by incorporating too much; going on rumor and hearsay and supposition instead of statistical data.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. Yes; I yield.

Mr. MURRAY. As my good friend is interested in statistics, it may be interesting for him to know that his State has had over 11 percent of the value of its farms in subsidies in the last 8 years. Our colleague from New York only had a little over 1 percent.

Mr. MURDOCK. Well, I am not asking for discrimination in any way. I want to assure my colleague from New York that I am not asking for discrimination. I am merely asking for businesslike procedure in the adoption of this new legislation. I am a firm believer in the institution of insurance, that is, I recognize insurance as a desirable economic institution to spread risk. Through it, the burden of loss is scattered over many who are subjected to the same hazard and is thus lighter upon each individual. This is one way to "bear ye one another's burdens."

Mr. EDWIN ARTHUR HALL. Will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. If there were available a sufficient amount of data, and I am sure there is, on this particular commodity, would the gentleman not feel that it merited study since so many dairy farmers throughout the country are affected?

Mr. MURDOCK. I am in sympathy with any study and any movement based on sound data—provided not too much is attempted at once. I think we will have to take the Agricultural Department studies and statistics first, of course, and I understand they are recommending this one step before we take the next step.

Mr. Chairman, I hope this measure will pass without the pending amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL] to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. DOWNS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. Downs to the committee amendment: On page 2, line 4, after the word "corn" insert "and tobacco."

Mr. DOWNS. Mr. Chairman, I do not wish to give the impression to those sponsoring this bill today that I am opposed to crop insurance for cotton farmers, but, despite the action taken on the previous amendments, I am a bit concerned about the tobacco growers in my State.

I am not entirely sold on the idea that crop insurance is good for all crops in this country; however, I do feel that if we are going to have insurance for wheat, if we are going to have insurance for cotton, we should give some thought to the other farmers in this country. In all fairness to the tobacco growers of my State, we should make arrangements for a survey of the tobacco crops of this country to see if it is advisable to extend crop insurance to tobacco.

From my own experience, the raising of tobacco is perhaps more risky than the raising of wheat, corn, or cotton. I know that in my State entire crops of tobacco have been wiped out by a storm. I am not going to take up any more of your time because I believe a sufficient amount of time has already been taken on this bill. I urge that my amendment for a survey of the tobacco crop be given your due and earnest consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. Downs] to the committee amendment.

The amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. That section 508 of said act, as amended, is amended by striking out the first comma in subsection (a) thereof and inserting in lieu thereof the following: "and with the cotton crop planted for harvest in 1942."

SEC. 4. That section 508 of said act, as amended, is further amended by striking out the words "producers of wheat against loss in yields of wheat" in the first sentence, and substituting in lieu thereof the words "producers of the agricultural commodity against loss in yields of the agricultural commodity."

SEC. 5. That section 508 of said act, as amended, is further amended by substituting the words "the agricultural commodity" for the word "wheat" in the third sentence of subsection (a).

Mr. MURRAY. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MURRAY: Page 2, line 20, insert "that section 508 of the said act, as amended, is further amended by

striking out the period at the end of the third sentence of subsection (a), inserting a colon and the following: 'Provided, That the insurance herein provided shall be limited to 2,000 bushels of wheat and/or 20 bales of cotton to any one producer beginning January 1, 1942.'"

Mr. MURRAY. Mr. Chairman, in offering this amendment, I do so because it is in keeping with, not only the political platforms, but also in keeping with the agricultural objective of fair-sized farms. Here is a legislative opportunity to begin this procedure. If we are to give a so-called subsidy to anyone, it should be to the family-sized farm and to the men who would be inspired to own and operate their own farms.

Do you realize that from the last available figures we find:

Size of payment	Total number, United States	Per centage of total	Cumulative per centage of total
\$0 to \$20.....	1,251,687	23.850	23.850
\$20.01 to \$40.....	1,185,833	22.590	46.440
\$40.01 to \$60.....	842,500	16.050	62.490
\$60.01 to \$100.....	890,956	16.980	79.470
\$100.01 to \$150.....	458,752	8.740	88.210
\$150.01 to \$200.....	254,034	4.840	93.050
\$200.01 to \$300.....	183,905	3.500	96.550
\$300.01 to \$400.....	79,006	1.510	98.060
\$400.01 to \$500.....	38,269	.730	98.790
\$500.01 to \$1,000.....	48,968	.930	99.720
\$1,000.01 to \$2,000.....	11,170	.210	99.930
\$2,000.01 to \$3,000.....	2,131	.040	99.970
\$3,000.01 to \$4,000.....	708	.013	99.983
\$4,000.01 to \$5,000.....	353	.007	99.990
\$5,000.01 to \$10,000.....	411	.008	99.998
Over \$10,000.....	113	.002	100.000
Total.....	5,248,796	100.000	-----

Do not 10 percent get 40 percent of this money?

After the Ways and Means Committee brings in the new tax bill we are going to do a lot of thinking and maybe some explaining as well. Should we jeopardize the "widow's mite" and reach all around for every conceivable dollar and still promote a Federal insurance program of insuring 5,000 to 9,000-acre wheat farms?

The present agricultural program needs plenty of constructive legislation. Here is your opportunity to legislate for the greatest good for the greatest number, instead of for the few at the expense of the many.

Mr. Chairman, I do not care personally to criticize the present agricultural program. There are enough other people to do that. I will just say that the greatest criticism that can be leveled against the program is the fact that the farm people of this country have not been getting the money. The last available information, which I am sure each and every one here this afternoon will be glad to hear, shows that 23 percent of the farmers get \$20 or less total A. A. A. funds per year; 46 percent of the farmers get \$40 or less per year; 62 percent get \$60 or less per year; 79 percent of the farmers get \$100 or less per year; 88 percent of the farmers get \$150 or less per year; and 93 percent of the farmers get \$200 or less per year.

The reason I introduced this amendment is because of the fact we have heard so much about family-sized farms in the last 10 years in this country. We keep on appropriating money that does not go to the family-sized farmer. It goes to lots

of places it should not go. Do you realize that 10 percent of the people who get the checks—and I will not call them farmers—receive 40 percent of this money?

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Suppose that in the case of cotton, a farmer produces 30 bales of cotton, and that 20 bales come from a sharecropper. In my State the title to the crop is in the landlord; therefore that fellow who needs insurance under this amendment would not receive any benefit.

Mr. MURRAY. That depends on what our agricultural objective is. If our only objective is to find out how much money we can get out of the United States Treasury to distribute around, that is one objective. If we are going to try to do something for the farm people of the country, that is another objective. If we want this money to go to the farm people, there is no use blaming the Secretary of Agriculture. It is right here in our lap today. We are the people who are passing on this legislation. If we want to keep our insurance in line and help the class of people who own and operate their own farms, and give them some incentive to do so, we will have to direct our legislation toward that end.

Let us consider for a moment the man who has from 3,000 to 9,000 acres of wheat. If you think that after this new tax bill is passed you want to go home and tell them we have done something for the farmers by passing an insurance bill for these 9,000-acre wheat fellows, you might regret that you entered into that kind of a program.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Wisconsin.

Mr. SAUTHOFF. The gentleman did not tell us who the 10 percent was that got 40 percent of the money.

Mr. MURRAY. May I say to my distinguished colleague that I try to keep out of as much trouble as I can. I do not want to get into that. Every one of you should study where this money has gone. The facts are available. The average State of the Union has had 10 percent of its assessed valuation. There are two States that have had over 40 percent of the valuation of their farms and buildings. There are other States that have not had 1 percent. There is not any common sense in the method used in distributing this money. That is not the fault of the Department of Agriculture; it is our own fault.

I cannot see how any fair-minded man can oppose this amendment. If anyone opposes this amendment, he has a right to do it, legally, morally, or in any other way, but I just feel that he is not interested in the farmer who lives on the farm and that he is pretty apt to shed crocodile tears as far as the farmer is concerned. I cannot see why anyone could have any objection to this amendment. Two thousand bushels of wheat is surely a large enough crop to make the farm that produced it a family-sized farm, and

20 bales of cotton is enough to be raised on a family-sized farm.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact that the payments that go to some farms are away beyond the value of 90 percent of the small farms of this country?

Mr. MURRAY. Yes.

If anybody can tell me why a cotton farmer who can raise 50 or 100 bales of cotton or a wheat farmer who can raise 9,000 acres of wheat should have the public carry his insurance, I wish they would state it. I personally do not see why he should expect us to give him that kind of protection when he is already getting \$10,000 in soil-conservation checks. Remember he is already getting that now, and you want to give him another protection by insuring him against loss.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not expect to talk of the merits of the amendment, but I do wish to call attention again to the matter of draftsmanship.

They say that patience is a virtue if the fish do not bite. For the last few years we have adopted this awful, ridiculous, nonsensical method of draftsmanship, which is a disgrace to any legislative body. I am sure that no Member of this body will justify this method. It came in as a custom 8 or 10 years ago at a time when everything enacted was an emergency measure, and the purpose was, and so stated, to pass legislation hurriedly without considering what the legislation already was, because it took too much time. As a result, when it was desired to amend a section of an existing law, the committee would get a drafted bill from down the street which stated, for instance, that section 2 would be amended by striking out the comma in the second line after the third sentence of the law as recorded in the statutes, and inserting a semicolon and 4 or 5 lines. Of course, the Members of the House knew nothing about it unless they took the time individually to get the statute and superimpose the proposed amendment on the statute.

In some committees the custom has grown. It did grow for awhile, then it stopped. Few committees of the House will any longer report a bill in this manner.

The bill we have before us today is drawn in that way, and there is not a Member of the House, including a single member of the committee reporting the bill, who can explain the bill so you can understand it without having the statute before him. Take a look at the bill in your hands.

We have a rule, the Ramseyer rule, which requires that in the report there be a statement of the law as it now is, with the additions and subtractions brought about by the amendment, so that after all is said and done the Ramseyer-rule-reported amendment is what should be and I believe will be in the bill.

Take this section 508. If the bill simply stated that section 508 was "amended to read as follows," just as you

will find section 508 in the report, then you know what it is all about.

The gentleman from Wisconsin has offered an amendment to the bill. We all know that under the rules of the House you cannot offer an amendment to anything excepting that which is in the bill the House is considering. You cannot offer an amendment to a statute, as on page 6 of the Revised Statutes, or something else. You can amend in the Committee of the Whole only the language that is in the bill before the House. If we can only do that, it would be impossible to amend this bill. The gentleman, however, after consulting the Parliamentarian, I am sure, has drafted an amendment which will accomplish what the gentleman suggested. I believe there is no question that if a point of order had been made against the amendment, the point of order would have been sustained.

For instance, section 5 of the bill as reported states:

That section 508 of said act, as amended, is further amended by substituting the words "the agricultural commodity" for the word "wheat" in the third sentence of subsection (a).

Tell me what that means. To prepare his amendment the gentleman had to get subsection (a) of the law—the law book—and then he had to figure out the third sentence. The third sentence is nowhere repeated in the bill which is before the House. The third sentence ends with the word "just." There is no such word in the bill before the House. The amendment strikes out the period, and after the word "just," insert a colon and "Provided." Then the amendment follows.

I am calling attention to this practice. I know my protests are distasteful to some people, but I hope this great Committee on Agriculture will not bring to the House a bill drawn in this form again.

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last two words. Mr. Chairman, I rise simply to express agreement with the view of the gentleman from Michigan that this is a very lax and improper way to draft legislation in that we never know just what it is we are doing without reference to a great many statutes. I have thought so for a long time, but I have gone a little further than the gentleman from Michigan in that I have offered a resolution to change the rules of the House to require that when an amendment to a statute is offered, the amendment shall be set forth in extenso.

I simply want to say to the gentleman from Michigan, who is also a member of the Rules Committee, I hope he will cooperate with me in bringing that resolution out of committee.

Mr. MICHENER. I surely will.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. PACE. The gentleman understands that we have under consideration now a Senate bill, drawn in the Senate and passed by that body and sent over here.

Mr. SMITH of Virginia. I know we have a lot of them drawn like this in the House, too.

Mr. SPARKMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the last two speakers have dealt primarily with the rules relating to the drafting of legislation and amendments. I want to get back to the measure we have under discussion, and particularly to the amendment that has been offered by the gentleman from Wisconsin.

It seems to me that if crop insurance is a good thing for one, it is a good thing for all, regardless of whether it is the small farmer or the large farmer. Furthermore, we ought to take into consideration the fact that a great part of our production—and particularly is this true of cotton, and I am sure it is of wheat, although I am not so familiar with the growing of wheat—but a great part of our cotton is grown by the little fellow who does not have title to the land, who does not have absolute title to the cotton that is grown, but has an interest in it by reason of having contributed his labor. Suppose that man is working as a sharecropper on a large farm. Perhaps there are 10 or 15 or 20 of these sharecroppers, and each one of them makes 15 bales. It is not the 15 bales that would be taken as a standard, but it is the amount grown on that entire farm, which would mean that not a single one of those sharecroppers would be able to get this insurance.

There has been a great deal of talk about getting up data and information relating to this program before we proceeded upon it. I certainly think it would be very interesting to see what the data would reveal as to the application of this particular amendment. Personally, I believe that crop insurance is a good thing for all of our crops. This Congress has spoken upon that subject and has said that such should be our policy, and it has been the policy of this Congress to extend crop insurance just as fast as it could reasonably be done—wheat first, now in its third year, and then cotton, with a study of corn, and following that tobacco, and so on, until the basic crops are all included under a crop-insurance program. I think this is simply good business. The gentleman from Washington [Mr. LEAVY] a few minutes ago, in questioning the gentleman from Mississippi [Mr. DOXEY], brought out some of the facts relating to the conduct of the wheat-insurance program during the last 2 years or the last 3 years, including the present year. We cannot tell yet just what the result of this year's activities will be, because we do not know finally what the crop production will be, but I saw in the paper just a few days ago an announcement that we had an unusually large and good wheat crop this year.

I talked with one of the officials down in the Crop Insurance Division of the Department of Agriculture, and while he could not tell me definitely, of course, what the results would be, it was stated that it was believed the gains of this year would go a very long way toward wiping out the losses of the 2 past years.

But even if we lost every single dollar that we have paid out on this program, I still say it would be good business and good economy. I just happened to look over the figures of two counties down in my district where there was a rather heavy drought in 1939. If this program had been in effect at that time, there would have been terrific losses in those two counties. In Lauderdale County, Ala., there would have been payment of 1,377 bales over the amount of premiums that would have been paid, and in Colbert County, immediately across the river, there would have been payment of 1,434 bales over and above the premiums, making a total of 2,811 bales in those two counties.

Mr. DOXEY. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. DOXEY. I just want to ask the gentleman this question: If it had been limited to only small farmers and not the big farmers, the big farmers would pay the premium that would help the small farmer all over the country?

Mr. SPARKMAN. Certainly.

Mr. DOXEY. And, therefore, when you help the big farmer, as they are trying to talk about here, you help the little farmer.

Mr. SPARKMAN. I think it must be spread out to be made effective, but I want to go further and say that at the time I referred to above cotton was selling for approximately 8 cents a pound, and the number of bales of cotton I have just referred to would have amounted to \$112,440, a terrible loss when you consider that factor alone, but I call your attention to the fact that within 3 months' time in those same two counties there was spent in emergency relief funds to take care of those farmers who had sustained losses as a result of that drought \$93,685. A large additional amount was spent in the following months to rehabilitate those farmers. The total far exceeded what the losses would have been under a cotton-insurance program. The history of our emergency farm relief cost throughout the country over the period of 1926 to 1936 is that we spent more than \$600,000,000. This bill would go a long way toward relieving us from a great deal of that expenditure. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. MURRAY) there were—ayes 35, noes 63.

So the amendment was rejected.

The Clerk read as follows:

SEC. 6. That sections 508 (b), (c), and (d) and 516 (a) of said Act, as amended, are further amended by substituting the words "the agricultural commodity" for the word "wheat" wherever it appears.

SEC. 7. That section 508 of said act, as amended, is further amended by adding at the end thereof the following new subsection:

"(e) In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be determined on the basis of the average relationship between returns from cottonseed and re-

turns from lint cotton for the same period of years as that used for computing yields and premium rates."

Sec. 8. That section 516 (a) of said act, as amended, is amended by striking out the figures "\$6,000,000" and substituting in lieu thereof the figures "\$12,000,000."

Mr. RICH. Mr. Chairman, I move to strike out the last word. I see by the bill that you are striking out the figures "\$6,000,000" and inserting in lieu thereof the figures "\$12,000,000." We have been in the habit of doing that in practically every appropriation bill that has come along. I have been working on the Interior subcommittee for the last few days, and we strike out \$1,000,000 and put in \$2,000,000, we strike out \$500,000 and put in \$2,500,000 and we strike out \$50,000 and put in \$500,000, we strike out a million and a half and put in five million. That seems to be the history of this administration ever since I have known it for 8 long years. The President of the United States criticized the Hoover administration for going into the red in the 4 years of the Hoover administration, but after getting the receipts from the things that were retrievable by this administration, in the 4 years of Hoover's administration he went in the red probably a billion and a half dollars in 4 years. This administration will go in the red over \$5,000,000,000 this year. It has been in the red an average of three and a half billion dollars for each year since it started in March 1933—8 long, red years. We are now considering the relief bill, and in that relief bill, right in the face of appropriating for war for 1941 and 1942 to the tune of \$37,200,000,000, you are asking for a big sum of money for relief. You have not put the people of this country to work and at the rate you are going you will not put them to work. You want to keep them on relief.

Now you want to do the same thing in this agricultural bill. You are heading this Nation for bankruptcy. You are heading this Nation for one of the greatest wrecks that it has ever encountered. I asked one of the high Members of this Congress this morning in committee, "Where are you going to get the money?" and he replied, "We are going to print it, like Hitler does." Think of that from a high official of this Congress. On a conference report last week, when we had other high Government officials present, I asked them the same question, "Where are you going to get the money?" and one of the greatest financiers in Congress said, "We are going to print the money."

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes; if the gentleman can tell us where we are going to get the money.

Mr. THOMAS F. FORD. Do not you print all your money now?

Mr. RICH. Yes; but we have always tried to back it up with something; we have always tried to make it sound, but now it is becoming just like the money that old Kaiser Wilhelm printed years ago, after we had gone through the World War, after we had tried to make the world safe for democracy, and you could buy a bushel of that German money for a nickel.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes.

Mr. FITZPATRICK. Is it not a fact that the Member of Congress you referred to was laughing when he answered the question, "Where are you going to get the money?"

Mr. RICH. The gentleman was present when the statement was made that we would print this money like Hitler is printing it. Oh, this is no laughing matter. These are facts that we want to know. You have been laughing at the Nation, and you have been fooling this country, you have been humbugging them for 8 years—for 8 long years—and yet you say it is a laughing matter. To me it is one of the most serious, one of the most solemn, one of the most important things that we can give our time to; and yet you say it is a laughing matter. I do not term it that, and I think we are long past the time when this Nation and the Members of this Congress should consider this a laughing matter. You come in and want to change this from \$6,000,000 to \$12,000,000 in this bill. Is it a laughing matter? It is not going to be when your children and your grandchildren and your great-grandchildren are compelled to pay for the folly of this administration. It is high time that you did something about it.

A wreck is ahead unless you get serious, stop laughing, do things that are sound, spend sparingly, economize, be prudent in your appropriations. The taxpayers will soon revolt; but I am afraid it will be too late, we will be bankrupt. And who is responsible? The answer is one and only one, and it is Mr. Roosevelt and the New Deal Congress. They are responsible. I am not. Why? Because I have opposed your extravagances. I want sound business judgment in the administration of affairs. No more reckless and unaccountable administration. Will you help give it to us? I hope you stop laughing and get serious.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. POAGE. Mr. Chairman, I move to strike out the last four words. It seems to me that some of the members of this Committee are failing to distinguish between providing the means whereby the farmers of this country can be self-supporting and may stay off the relief rolls and the simple expenditure of money that will never be returned. I think that failure to distinguish between making an investment in the ability of our people to earn a living and simply contributing money is a rather common thing in this country. When we considered a bill recently to loan money to farmers with which to buy farms, we found many Members speaking of what the Government was giving to the farmers. Yet we have actually had the experience throughout the years proving that more than 100 percent of the maturities were paid up to date. In spite of this, many Members, who did not know any better, got up and talked about what we were giving the farmers. We were not giving the farmer a thin dime when we loaned him money with which to buy a farm when experience shows that we

get back every dollar, plus interest. We are not giving the farmer something when we provide a means whereby he may insure his crops by paying a number of bushels of wheat or a number of pounds of cotton sufficient to provide the reserve necessary to pay the losses all over the country the next year. All we are doing is saying that the United States Government, being the only agency in the United States that can spread these losses widely enough, will make available to the farmers of this country the ability to spread their losses; that is, to actually share their losses with each other. The Government is not paying those losses. The farmers of the United States are paying those losses in premiums of wheat or cotton that they pay in in order to get this insurance.

The additional \$6,000,000 about which the gentleman from Pennsylvania [Mr. RICH] is so exercised is money to carry on the administrative expenses of this program. If you carry on the administration of the program and let the farmer himself carry the losses, if you will put up \$6,000,000 for administrative expenses, you will save 60 times this amount in the relief bill, about which the gentleman is so worried. I know from personal experience living among these people. I have seen their crops wiped out. I have seen the grasshoppers come. I have seen the floods and the droughts come. I have seen these farmers make not one thing, and at the end of the year what happens to them? You know and the gentleman from Pennsylvania [Mr. RICH] knows what happens to them. They then become an expense to the United States Government far over and above the little administrative expense that is involved in this bill. It then becomes a real and substantial burden to this Government. Then the Government must pay for the relief itself in addition to the administration.

I think we all want to save money for this Government. If you want to save money for the Government, give these farmers an opportunity to contribute their own cotton—not Government cotton but their own cotton—to a collective pool, whereby each one may be assured at the end of the year that he will have some income with which to feed and clothe his family, with which to avoid the necessity of going on relief or hunting a W. P. A. job. With a very small expenditure for the administration of this kind of program you will save many multiplied millions of dollars on that very relief bill that stares you in the face today. Give these farmers a chance to help themselves. We are not coming in here asking you to pay these losses. The farmers of the United States are not seeking relief. The farmers of the United States are seeking justice, seeking a parity livelihood, seeking an opportunity to make with their toil the same kind of a living that the other people of the United States are making; seeking in this instance an opportunity to know that when they contribute in advance from their own property a fair and equitable premium, that at the end of the year they will be able to remain off the relief rolls and to save the Government expense.

[Here the gavel fell.]

Mr. CREAL. Mr. Chairman, I move to strike out the last five words.

I always delight in hearing my friend the gentleman from Pennsylvania [Mr. RICH] talk, because he is good at figures. He is a good, sound, businessman. He offers constructive criticism and sticks very close to facts, sometimes. I believe in life insurance. I carry life insurance. I believe it does a great deal of good in addition to the good it does those who carry it. Other people make a good living out of it, big dividends, and big salaries. I believe in fire insurance. I carry it all the time on everything. Yet other people applying that fire insurance, to merely administer it, receive big dividends and high salaries. Crop insurance, when rightly administered, is just as practical, is just as sound, as either fire insurance or life insurance. There is no more reason for saying that all are sound or all are unsound.

Now, the gentleman seems to think that this money is to be appropriated for the man who has a failure of crop, to give him a direct appropriation. The object is to make it absolutely self-sustaining, but, of course, when you begin a program there is no money in the Treasury with which to make administration. This is the administrative end, and we should wait and see, before hurling arguments against this, whether or not there is any loss or whether or not we will also be able to take care of the administrative end.

I am going along with the Committee. I voted to put tobacco in. Tobacco is one of the most practical crops of all to be insured. I have seen tobacco crops that on Saturday could be sold for \$100 an acre, which on the following Monday morning could not be sold for \$5 an acre by reason of winds or hail or other things. All other crops when damaged can be salvaged in part, and a part of the loss saved. I thought tobacco ought to be in. I hope some day it will be. Since the Committee has acted, I will go along with it, and will vote against every other amendment that is offered until that other day comes. I see nothing whatsoever wrong with this. The farmers of 48 States cannot organize an insurance company, but there are failures of crops. Sometimes there is a failure in one part of a State and a good crop in the other part, just as the man who has a fire loss has paid insurance a long time. He suffers a loss and others who do not have any loss take care of his loss. The crop people will do the same thing. It is on a perfectly sound, economical basis. As sound a thinker and as good a businessman as the gentleman from Pennsylvania is, I am a bit surprised that he would criticize this program as being unsound and tell us, "Why, these men cannot pay a premium," when they have good years in one part and a loss somewhere else. What they pay in one section of the country will make up for the other section, just the same as a big fire is a loss on the spot, but there are other areas that pay in that do not have fires.

Mr. RICH. Will the gentleman yield?

Mr. CREAL. I yield to the gentleman from Pennsylvania.

Mr. RICH. You are asking for administrative money double what it was.

The payments to be made to farmers will not be double what they were, will they?

Mr. CREAL. We are including another crop in this bill and, of course, it requires more for administration.

Mr. RICH. Therefore you will not need that amount to be doubled for overhead expenses. That is what I believe is wrong.

Mr. CREAL. When you include other crops the administrative expenses will be greater.

Mr. RICH. In that case you do not require double the amount for the administration.

[Here the gavel fell.]

Mr. CREAL. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. CREAL]?

There was no objection.

Mr. CREAL. The gentleman from Pennsylvania has been the hardest man, and he is a Republican, on Herbert Hoover of any man in the House of Representatives. He is always talking about what it will take to pull people out of the hole, according to figures. It reminds me of the fellow who had a mule and no need for it for awhile because he had an extra one and another man said he would take it for that time and feed it for its work. That fall the man brought him back and the mule was skin and bone and dragged along with his head down. The fellow had to pay out a great deal more to bring the mule back than if he had kept him home doing nothing. It was almost an entire loss instead of the mule earning his feeding.

We should sometimes remember it is your debt. When you voted for Herbert Hoover and tried to perpetuate him 4 more years, then condemned others for pulling the people out after they sunk, you are not accomplishing anything constructive, nor getting very far by criticism of those who have had to restore the badly kept house the President found.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I should apologize perhaps for further trespassing upon the patience and indulgence of the House, but you know there are certain plausibilities which one cannot permit to go by without some protest.

Can you imagine, for instance, a life-insurance company which gets all of its administrative expenses out of the Federal Treasury? The Crop Insurance Corporation does, because we sat over here last year and gave it over \$5,000,000, and a year before over \$5,000,000 for administrative expenses. In proportion as this insurance field is extended, the administrative expenses will grow.

With further reference to the observations of my good friend from Kentucky, have you ever seen a fire-insurance company which can come down to the Federal Treasury with its hat in hand and seek to repair its losses or get its administrative expenses out of the Federal Treasury? There has been no hint or intimation at any time that the set-up is going to change, and whether the Federal Crop Insurance Corporation makes

money or loses money it is going to continue to get its administrative expenses out of the Federal Treasury. That matter ought to be emphasized.

The second thing to emphasize is that if there were any fire-insurance company or any life-insurance company that operated on the basis that they have operated the Crop Insurance Corporation in the field a week the insurance commissioner of every State of the United States would lock its doors in a hurry as it would wind up in a state of insolvency.

I gave you the figures this afternoon and nobody has arisen on this floor and controverted these figures. We took in 6,700,000 bushels in premiums in wheat in 1933 and paid out 10,000,000. Just translate that into terms of 60 cents a bushel. They lost a little over \$2,000,000 and, if we should translate those losses into terms of parity prices the loss is going to be larger. And do not forget, somebody will be back here some time in the future and insist that whenever we get to the point where there is no profit in paying premiums and getting indemnities in kind they will want to put it on a parity basis and take it out in the form of cash.

That is the first year of crop insurance, in which we lost over \$2,000,000. The documented information that was given to us is here. Here is the account of Mr. Smith, president of the Corporation, as he gave it for the next year. They took in about 14,000,000 bushels of premiums and they paid out 23,000,000 bushels of premiums, in round figures. So we lost 9,000,000 bushels of wheat. Translate it at any figure you please and you will get a loss of somewhere between four and six million dollars. So we lost over two million in 1939, we lost over four and a half million dollars by the least calculation in 1940, and it is indicated on the basis of crop conditions we will lose money in 1941.

Why in the name of all that is sacred should the Congress of the United States project the Government into the field of cotton insurance until a sound actuarial basis has been worked out? Having failed to place wheat insurance on a sound basis why should we now undertake cotton insurance? On the basis of the above, I propose to vote against this bill.

The Clerk read as follows:

SEC. 9. That said act, as amended, is further amended by redesignating section 513 as section 519, and by addition thereto of the following new section:

"Sec. 518. 'Agricultural commodity,' as used in this act, means wheat or cotton, or both, as the context may indicate."

SEC. 10. That section 508 (d) of the Federal Crop Insurance Act, as amended, is amended by inserting the following sentences immediately after the first sentence thereof: "Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity."

Mr. JOHNS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNS: On page 4, line 1, after the word "purchasing", insert "at the prevailing market price of."

Mr. JOHNS. Mr. Chairman, the sole purpose of this amendment is that when the farmer makes a settlement, if he does, and is foreclosed, he will get the market price for the commodity which is the security for the note given. I believe everybody wants that to be done, and I can see no reason why the Committee should not agree to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. JOHNS) there were—ayes 36, noes 61.

So the amendment was rejected.

Mr. FULMER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 158) to amend the Federal Crop Insurance Act, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. FULMER. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 95, noes 42.

Mr. DIRKSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—ayes 256, noes 100, answered "present" 1, not voting 74, as follows:

[Roll No. 67]

YEAS—256

Allen, Ill.	Boggs	Burgin
Allen, La.	Boland	Byron
Arnold	Bonner	Cannon, Fla.
Barden	Boren	Capozzoli
Barnes	Bradley, Pa.	Carlson
Barry	Brooks	Cartwright
Bates, Ky.	Brown, Ga.	Casey, Mass.
Beam	Bryson	Chapman
Beckworth	Buck	Clark
Beiter	Buckler, Minn.	Claypool
Bell	Bulwinkle	Cochran
Bennett	Burch	Coffee, Nebr.
Bloom	Burdick	Coffee, Wash.

Cole, Md.	Hill, Wash.	Peterson, Fla.
Colmer	Hope	Peterson, Ga.
Connery	Hull	Pfeifer,
Cooley	Hunter	Joseph L.
Cooper	Imhoff	Pittenger
Copeland	Izac	Plauché
Courtney	Jackson	Poage
Cox	Jacobsen	Priest
Cravens	Jarman	Ramspeck
Creal	Jensen	Rankin, Miss.
Crosser	Johnson, Ill.	Rankin, Mont.
Crowther	Johnson,	Reece, Tenn.
Cullen	Luther A.	Richards
Cunningham	Johnson, Okla.	Rivers
Curtis	Johnson, W. Va.	Rizley
D'Alesandro	Kee	Robertson,
Davis, Ohio	Keefe	N Dak.
Davis, Tenn.	Kelley, Pa.	Robertson, Va.
Day	Kennedy,	Robinson, Utah
Dickstein	Martin J.	Rogers, Okla.
Dingell	Kennedy,	Russell
Domenegeaux	Michael J.	Sabath
Doughton	Keogh	Sanders
Downs	Kerr	Sasser
Doxey	Kilday	Satterfield
Drewry	Kinzer	Scanlon
Duncan	Kirwan	Schultz
Durham	Kleberg	Schulte
Dworshak	Knutson	Secrest
Eberhart	Kocialkowski	Shanley
Edmiston	Kramer	Sheppard
Elliott, Mass.	Landis	Sikes
Elliott, Calif.	Lanham	Smith, Conn.
Ellis	Larabee	Smith, Pa.
Englebright	Lea	Smith, Va.
Faddis	Leavy	Smith, Wash.
Fenton	LeCompte	Smith, W. Va.
Fitzpatrick	Ludlow	Snyder
Flaherty	Lynch	South
Flannagan	McCormack	Sparkman
Flannery	McGehee	Spence
Fogarty	McKeough	Steagall
Forand	McLaughlin	Stefan
Ford, Miss.	McMillan	Sullivan
Ford, Thomas F.	Maas	Summers, Tex.
Fulmer	Maciora	Sutphin
Gale	Mahon	Sweeney
Gathings	Marcantonio	Talle
Gavagan	Martin, Iowa	Taylor
Gearhart	May	Tenewicz
Gehrmann	Merritt	Terry
Geyer, Calif.	Meyer, Md.	Thom
Gibson	Mills, Ark.	Thomas, Tex.
Gilchrist	Mills, La.	Thomason
Gillie	Monroney	Tolan
Gore	Moser	Traynor
Gossett	Mundt	Vincent, Ky.
Granger	Murdock	Vinson, Ga.
Grant, Ala.	Murray	Walter
Green	Myers, Pa.	Ward
Gregory	Nelson	Weaver
Gwynne	Nichols	Weiss
Haines	Norrell	Weich
Halleck	Norton	West
Hare	O'Brien, Mich.	Wheat
Harrington	O'Connor	Whelchel
Harris, Ark.	O'Hara	Whittington
Harris, Va.	O'Leary	Wickersham
Hart	O'Neal	Williams
Healey	O'Toole	Wilson
Hébert	Pace	Worley
Heffernan	Fatman	Wright
Hendricks	Patrick	Young
Hill, Colo.	Patton	Zimmerman

NAYS—100

Anderson, Calif.	Gamble	Martin, Mass.
Andrews	Gerlach	Michener
Angell	Graham	Mott
Arends	Grant, Ind.	O'Brien, N. Y.
Baldwin	Guyer, Kans.	Oliver
Bates, Mass.	Hall,	Osmer
Baumhart	Edwin Arthur	Paddock
Bender	Hall,	Pfeiffer,
Bishop	Leonard W.	William T.
Blackney	Hancock	Plumley
Boehne	Harness	Powers
Bolton	Hartley	Reed, Ill.
Bradley, Mich.	Heidinger	Reed, N. Y.
Brown, Ohio	Hess	Rees, Kans.
Butler	Hoffman	Rich
Canfield	Holbrook	Robison, Ky.
Carter	Holmes	Rockefeller
Chipherfield	Howell	Rodgers, Pa.
Clevenger	Jarrett	Rogers, Mass.
Cole, N. Y.	Jenkins, Ohio	Rolph
Crawford	Johns	Rutherford
Dewey	Johnson, Calif.	Sauthoff
Dirksen	Johnson, Ind.	Scott
Ditter	Jones	Short
Dondero	Jonkman	Smith, Maine
Douglas	Kean	Smith, Ohio
Eaton	Kunkel	Springer
Elston	Lambertson	Stearns, N. H.
Engel	Lewis	Stevenson
Fellows	McGregor	Taber

Thomas, N. J.	Vreeland	Wolfenden, Pa.
Tibbott	Wasielewski	Wolverton, N. J.
Tinkham	Wigglesworth	Youngdahl
Van Zandt	Winter	
Vorys, Ohio	Wolcott	

ANSWERED "PRESENT"—1

Ford, Leland M.

NOT VOTING—74

Andersen,	Gifford	Pierce
H. Carl	Harter	Ploeser
Anderson,	Hinshaw	Rabaut
N. Mex.	Hobbs	Ramsay
Andresen,	Hook	Randolph
August H.	Houston	Romjue
Bland	Jenks, N. H.	Sacks
Bolles	Jennings	Schaefer, Ill.
Boykin	Johnson,	Scrugham
Buckley, N. Y.	Lyndon B.	Shafer, Mich.
Byrne	Kefauver	Shannon
Camp	Kelly, Ill.	Sheridan
Cannon, Mo.	Kilburn	Simpson
Case, S. Dak.	Kopplemann	Somers, N. Y.
Celler	Lesinski	Starnes, Ala.
Chenoweth	McArdle	Stratton
Clason	McGranery	Sumner, Ill.
Cluett	McIntyre	Tarver
Collins	McLean	Thill
Costello	Maciejewski	Treadway
Culkin	Magnuson	Voorhis, Calif.
Delaney	Mansfield	Wadsworth
Dies	Mason	Wene
Disney	Mitchell	White
Fish	O'Day	Woodruff, Mich.
Fitzgerald	Pearson	Woodrum, Va.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Randolph for, with Mr. Treadway against.

Mr. Stratton for, with Mr. Kilburn against.

Mr. Hobbs for, with Mr. Jennings against.

Mr. Starnes of Alabama for, with Mr. Leland M. Ford against.

Mr. Pearson for, with Mr. Cluett against.

Mr. Fitzgerald for, with Mr. McLean against.

Mr. Rabaut for, with Mr. Gifford against.

Mr. Pierce for, with Mr. Simpson against.

Mr. Boykin for, with Mr. Clason against.

General pairs:

Mr. Woodrum of Virginia with Mr. Woodruff of Michigan.

Mr. Cannon of Missouri with Mr. Ploeser.

Mr. Bland with Mr. Bolles.

Mr. Kefauver with Mr. Thill.

Mr. Tarver with Mr. Wadsworth.

Mr. Mansfield with Mr. Hinshaw.

Mr. Romjue with Mr. Mason.

Mrs. O'Day with Mr. August H. Andresen.

Mr. Harter with Mr. Chenoweth.

Mr. Anderson of New Mexico with Mr. Fish.

Mr. Costello with Miss Sumner of Illinois.

Mr. Delaney with Mr. Culkin.

Mr. Kelly of Illinois with Mr. Shafer of Michigan.

Mr. Magnuson with Mr. H. Carl Andersen.

Mr. Collins with Mr. Jenks of New Hampshire.

Mr. Schaefer of Illinois with Mr. Case of South Dakota.

Mr. Wene with Mr. Buckley of New York.

Mr. Byrne with Mr. Ramsay.

Mr. Sheridan with Mr. Hook.

Mr. Lesinski with Mr. Dies.

Mr. Somers of New York with Mr. White.

Mr. Houston with Mr. Celler.

Mr. Disney with Mr. Maciejewski.

Mr. Scrugham with Mr. McArdle.

Mr. McIntyre with Mr. Sacks.

Mr. Lyndon B. Johnson with Mr. Shannon.

Mr. LELAND M. FORD. Mr. Speaker,

I have a pair with the gentleman from Alabama, Mr. STARNES. I voted "nay."

I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

A similar House bill (H. R. 4595) was laid on the table.

The doors were opened.

Spencer

enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; to the table.

By Mr. WALSH:

A petition of sundry citizens of the State of Massachusetts, praying that the United States keep out of foreign war; to the Committee on Foreign Relations.

A petition of sundry citizens of Somerville, Mass., praying that the United States use convoys to assure the safe delivery of goods to Great Britain; to the Committee on Foreign Relations.

A resolution of the Pilgrim Association of Congregational Churches, in the State of Massachusetts, favoring the prompt enactment of legislation to provide for feeding the starving peoples of Europe; to the Committee on Foreign Relations.

A resolution of the House of Representatives of the State of Massachusetts; to the table:

"Resolutions memorializing Congress in opposition to proposed legislation curtailing our cane-sugar refining industry

"Whereas it is the established policy of the House of Representatives of the Commonwealth of Massachusetts to preserve the domestic sugar-refining industry in Massachusetts, as evidenced by Massachusetts House Document No. 1296 of 1934, favoring Federal legislation for the preservation of the cane-sugar refining industry, which legislation the Congress subsequently enacted in 1934, thereby protecting consumers in Massachusetts and elsewhere in the United States on the supply and price of sugar; and

"Whereas existing Federal law provides a readily accessible supply of raw cane sugar from Central and South America countries, which, as our Government experts on defense and consumers' needs have stated, is ample for United States consumption; and

"Whereas legislation by the Congress is being considered and which, if enacted, would deprive this sound Massachusetts industry of much of its raw material, would deprive our good neighbors of Latin-American countries of the market for their product, and would add millions of dollars to the huge subsidy now given to the beet-sugar industry, thereby increasing the burden upon the American consumer: Therefore be it

"Resolved, That the House of Representatives of Massachusetts respectfully urges upon the Congress of the United States to oppose any change in existing Federal law that would create unemployment in this Commonwealth, further overburden the consumer, and detract from existing good will between the United States and the Latin-American countries, so necessary in this time of national emergency; and be it further

"Resolved, That the secretary of the Commonwealth forthwith forward copies of these resolutions to the President of the United States, to the presiding officers of both branches of Congress, to the Secretary of State of the United States, to the Secretary of Agriculture of the United States, and to the Members of Congress from this Commonwealth.

"In house of representatives, adopted, June 5, 1941."

SALE OF ALCOHOLIC LIQUORS AND PREVENTION OF VICE CONDITIONS IN VICINITY OF MILITARY CAMPS

Mr. TUNNELL presented 16 identical petitions of sundry citizens of Wilmington, Del., which were ordered to lie on the table; and one of the petitions was ordered to be printed in the RECORD, without the names attached, as follows:

To the Congress of the United States:

Whereas certain bills (notably S. 860 and H. R. 4000) have been introduced into Congress, "To provide for the common defense in relation to the sale of alcoholic liquors to members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments"; and

Whereas military authorities now possess all necessary power to control the sale of alcoholic beverages to members of the land and naval forces; and

Whereas certain sections of these bills are, we believe, unconstitutional; and

Whereas the control of alcoholic beverages and the control of prostitution are unrelated, and therefore ought not to be combined in one piece of legislation; and

Whereas we believe the enactment of these bills into law would establish an unwise and dangerous precedent, and would be opposed to the general welfare of citizens of the several States and obstructive to the common defense of the United States:

We, the undersigned, citizens of Delaware, respectfully request that these bills be reported unfavorably.

RESOLUTION OF THE GENERAL COURT OF NEW HAMPSHIRE

Mr. BRIDGES. Mr. President, I present for printing in the body of the RECORD and appropriate reference a concurrent resolution adopted by the General Court of New Hampshire opposing the authorization of a flood-control project in the so-called Sugar Hill location, New Hampshire.

The VICE PRESIDENT. Without objection, the concurrent resolution will be received, referred to the Committee on Commerce, and, under the rule, printed in the RECORD.

The concurrent resolution is as follows:

Concurrent resolution to oppose the authorization of a flood-control project at Sugar Hill

Whereas a new flood-control bill is being considered in the United States Congress which would substitute authorization of a dam at Sugar Hill, in the town of Lisbon, N. H., for one previously authorized at Bethlehem Junction; and

Whereas this general court gave its consent to the Bethlehem Junction project by an act adopted May 31, 1939, known as chapter 149, Laws of 1939, and

Whereas citizens of Lisbon, Littleton, and other Ammonoosuc Valley towns have voted unanimously at a mass protest meeting their opposition to the Sugar Hill dam project and have requested that this general court go on record in opposition to any Federal authorization for building a flood-control dam at said Sugar Hill, but reaffirming approval of the Bethlehem Junction dam site as already authorized; and

Whereas the new proposed project would entail considerable loss to the towns of Lisbon and Littleton and disrupt the economic relations between the towns in said area; and

Whereas no protest has been voiced by the citizens of Bethlehem to the Bethlehem Junction project already approved by Federal authorities and consented to by this State: Now, therefore

The house of representatives in general court convened (the senate concurring), hereby resolves, That this general court records its opposition to Federal authorization for building a flood-control dam at Sugar Hill, in the town of Lisbon, and directs the Governor of the State to forward forthwith copies of this resolution to the Speaker of the House of Representatives of the United States Con-

gress, the President of the Senate of said body, the chairman of the congressional Flood Control Committee, and to each of the Representatives and Senators of this State in the United States Congress.

RESOLUTIONS OF YANKEE DIVISION VETERANS ASSOCIATION

Mr. BRIDGES presented a resolution adopted by the twenty-second annual convention of the Yankee Division Veterans Association, at Manchester, N. H., which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolution adopted at the twenty-second annual convention, Yankee Division Veterans Association, Saturday, June 7, 1941

We of the Yankee Division Veterans Association hereby go on record at our twenty-second national convention being held in Manchester, N. H., as favoring the passing of necessary laws, rules, and regulations governing the transportation of all supplies for Great Britain and all the democracies with the necessary assurance that these supplies will reach their point of destination; be it further

Resolved, That we heartily approve and endorse the return to the age-old policy of the United States to the freedom of the seas.

Mr. BRIDGES also presented resolutions adopted by the twenty-second annual convention of the Yankee Division Veterans Association at Manchester, N. H., which were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Resolution adopted at the twenty-second annual convention, Yankee Division Veterans Association, Saturday, June 7, 1941

We hereby resolve that the Yankee Division Veterans Association go on record with the suggestion that Congress posthumously award the Congressional Medal of Honor to the late Brig. Gen. William Mitchell for his patriotic service and foresight in recommending an adequate air force to function as a separate unit of the armed force of the United States

Resolution adopted at the twenty-second annual convention, Yankee Division Veterans Association, Saturday, June 7, 1941

Be it hereby resolved, That we, the Yankee Division Veterans Association, in meeting at twenty-second national convention, in Manchester, N. H., do hereby favor the passage of bill known as H. R. 4523.

This bill recognizes the high public service rendered by soldiers who volunteered and served in trench-fever experiments in the American Expeditionary Forces.

Resolution adopted at the twenty-second annual convention, Yankee Division Veterans Association, Saturday, June 7, 1941

Be it hereby resolved, That we of the the Yankee Division Veterans Association hereby go on record as approving of delegating the necessary powers to the President of the United States in this period of national emergency for any and all programs of national defense which will safeguard the lives, the property, and the security of the citizens of the United States of America; be it further

Resolved, That we of the Yankee Division Veterans Association, assembled in Manchester, N. H., for our twenty-second annual convention, do hereby pledge ourselves to aid, assist, and support the President of the United States of America in fulfilling the necessary requirements in this program of national defense during the present period of national emergency.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

S. 1557. A bill to provide for reimbursement to the holders of cotton pool participation trust certificates, and for other purposes; without amendment (Rept. No. 437).

S. Res. 117. Resolution relating to a formula for determining parity prices for basic farm commodities (submitted by Mr. THOMAS of Oklahoma May 15, 1941); with amendments (Rept. No. 439).

By Mr. GUFFEY, from the Committee on Mines and Mining:

S. 296. A bill to provide for the establishment and maintenance of an assay office at Helena, Mont.; without amendment (Rept. No. 438).

By Mr. GILLETTE, from the Committee on Agriculture and Forestry:

S. J. Res. 39. Joint resolution making provisions for the refund of the processing tax on hogs marketed for slaughter by the raisers and producers who in fact bore all or part of the burden of such tax; with amendments (Rept. No. 440).

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 11, 1941, that committee presented to the President of the United States the enrolled bill (S. 774) to authorize the Pennsylvania Railroad Co., by means of an underpass, to cross New York Avenue NE., to extend, construct, maintain, and operate certain industrial sidetracks, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

S. 1630. A bill to provide for the advancement on the retired list of certain officers of the line of the United States Navy and Marine Corps; to the Committee on Naval Affairs.

By Mr. HERRING:

S. 1631. A bill to provide for the establishment and operation of an academy for training persons for civilian positions in the service of the United States; to the Committee on Education and Labor.

By Mr. RADCLIFFE:

S. 1632. A bill to amend section 2 of the act of August 27, 1935, as amended; to the Committee on Commerce.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 587. An act to extend the provisions of the act entitled "An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes," approved September 2, 1937; to the Committee on Territories and Insular Affairs.

H. R. 4973. An act to amend the act of May 22, 1918 (40 Stat. 559); to the Committee on the Judiciary.

CHANGE OF REFERENCE

On motion by Mr. BROWN, the Committee on Banking and Currency was discharged from the further consideration of the bill (S. 899) for the relief of Ernest A. McNabb, and it was referred to the Committee on Claims.

AMENDMENT OF FEDERAL CROP INSURANCE ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 158) to amend the Federal Crop Insurance Act, which was on page 1, to strike out lines 7 to 9, inclusive, and insert:

SEC. 2. That section 506 (h) of said act, as amended, is amended by striking out the words "for wheat and other agricultural commodities" and by inserting in lieu thereof a comma and the following words: "and preparatory to the application of the act to other basic commodities when so provided by law, shall assemble data relative to field corn, for the purpose of establishing a satisfactory actuarial basis for such commodity."

Mr. BANKHEAD. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

FUNDS EXPENDED BY PUERTO RICO RECONSTRUCTION ADMINISTRATION

Mr. TYDINGS. Mr. President, at the request of the Department of the Interior and the Committee on Territories and Insular Affairs, I ask that there be printed in the RECORD at this point, following my remarks, a break-down showing how the money from the Puerto Rican relief was spent, what remains, what was in the revolving fund, and what was expended permanently.

There being no objection, the matter was ordered to be printed in the RECORD, and referred to the Committee on Territories and Insular Affairs, as follows:

UNITED STATES,
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, June 11, 1941.

Hon. MILLARD E. TYDINGS,
Chairman, Territories and
Insular Affairs Committee,
United States Senate.

MY DEAR SENATOR TYDINGS: Pursuant to your request in connection with your consideration of S. 1358 for a statement of the purposes for which funds made available to the Puerto Rico Reconstruction Administration have been expended I submit the following summary:

Funds made available by allocations from appropriations under the Emergency Relief Appropriations Acts of 1935 to 1937, and by direct appropriations under succeeding relief acts, including fiscal year 1941. \$69,904,000

Projects and programs for which above funds will have been obligated by June 1941 (round figures):

General rural rehabilitation	12,229,700
Rural and urban housing	9,081,700
Hydroelectric projects	9,269,400
Forest and reforestation	3,434,000
University building (including School of Tropical Medicine)	2,875,000
Cattle-tick eradication	1,765,000
Soil conservation	1,668,900
Administrative expenses, including construction of administration buildings and official censuses of Puerto Rico	5,136,700
Cement plant	1,455,000

Projects and programs for which above funds will have been obligated by June 1941 (round figures)—Continued.

Various Army and Navy projects	\$1,152,700
Construction and repairs of schools	1,950,800
Swamp drainage for malaria control and land reclamation	1,743,500
Roads and streets	2,353,800
Water and sewer systems not included under other headings	730,000
Loans to cooperatives and individual farmers	7,900,900
Land purchased for rural rehabilitation	3,600,900
Construction and repair of public buildings, parks, and recreational facilities	1,798,200
Miscellaneous activities not classified above	1,615,000
Total	69,814,000

Estimated obligations for fiscal year 1941 for projects authorized by President for financing out of revolving fund created by act of Feb. 11, 1936:

Operation, disposition and sale of sugar lands	180,000
Rentals and taxes on leased lands, repaid in turn by sublessees	78,794
Operation and maintenance of housing projects, including \$40,000 reserves for future replacements and repairs	180,000
Total	438,794

Total estimated obligations. 70,252,794

No appropriation has been sought for the Puerto Rico Reconstruction Administration for the fiscal year 1942. But consideration must be given to the fact that as a result of previous Puerto Rico Reconstruction Administration activities the Government has acquired properties valued at approximately \$18,000,000, most of which, including secured loans and some 8,000 dwelling units, are income-producing. To safeguard these assets and to conserve social and economic benefits which might be completely lost if the entire Puerto Rico Reconstruction Administration program were suddenly terminated, it would seem essential to continue certain limited activities. This can be done through the medium of projects to be approved by the President out of the revolving fund created by the act of February 11, 1936. There is approximately \$3,000,000 in that fund, resulting exclusively from Puerto Rico Reconstruction Administration operations.

To maintain the fund as a truly revolving fund, amendment of the act of February 11, 1936, by the provisions of S. 1358 is desirable. Thereby income derived and proceeds of the disposition of property produced by the revolving fund itself will go back into the revolving fund. The limited Puerto Rico Reconstruction Administration projects which await Presidential approval for financing out of the revolving fund during the coming fiscal year, have been so planned that I believe they will result in no eventual depletion of the revolving fund if S. 1358 is approved. I enclose a detailed break-down of expenditures in connection with the projects listed above.

Sincerely yours,

E. K. BURLEW,
First Assistant Secretary.

{Enclosure.}

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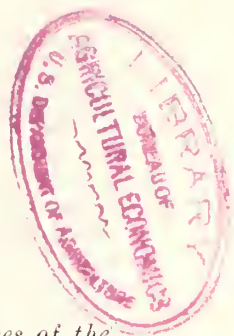
[PUBLIC LAW 118—77TH CONGRESS]

[CHAPTER 214—1ST SESSION]

[S. 158]

AN ACT

To amend the Federal Crop Insurance Act.



Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502 of the Federal Crop Insurance Act, as amended, is hereby amended by substituting the word "crop" for the word "wheat-crop" and by substituting the words "agricultural commodities" for the word "wheat".

SEC. 2. That section 506 (h) of said Act, as amended, is amended by striking out the words "for wheat and other agricultural commodities" and by inserting in lieu thereof a comma and the following words: "and preparatory to the application of the Act to other basic commodities when so provided by law, shall assemble data relative to field corn, for the purpose of establishing a satisfactory actuarial basis for such commodity".

SEC. 3. That section 508 of said Act, as amended, is amended by striking out the first comma in subsection (a) thereof and inserting in lieu thereof the following: "and with the cotton crop planted for harvest in 1942".

SEC. 4. That section 508 of said Act, as amended, is further amended by striking out the words "producers of wheat against loss in yields of wheat" in the first sentence, and substituting in lieu thereof the words "producers of the agricultural commodity against loss in yields of the agricultural commodity".

SEC. 5. That section 508 of said Act, as amended, is further amended by substituting the words "the agricultural commodity" for the word "wheat" in the third sentence of subsection (a).

SEC. 6. That sections 508 (b), (c), and (d) and 516 (a) of said Act, as amended, are further amended by substituting the words "the agricultural commodity" for the word "wheat" wherever it appears.

SEC. 7. That section 508 of said Act, as amended, is further amended by adding at the end thereof the following new subsection:

"(e) In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates."

SEC. 8. That section 516 (a) of said Act, as amended, is amended by striking out the figures "\$6,000,000" and substituting in lieu thereof the figures "\$12,000,000".

SEC. 9. That said Act, as amended, is further amended by redesignating section 518 as section 519, and by addition thereto of the following new section:

"SEC. 518. 'Agricultural commodity', as used in this Act, means wheat or cotton, or both, as the context may indicate."

SEC. 10. That section 508 (d) of the Federal Crop Insurance Act, as amended, is amended by inserting the following sentences immediately after the first sentence thereof: "Nothing in this section shall prevent the Corporation from accepting, for the payment of premiums, notes payable in the commodity insured, or the cash equivalent, upon such security as may be determined pursuant to subsection (b) of this section, and from purchasing the quantity of the commodity represented by any of such notes not paid at maturity."

Approved, June 21, 1941.

